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HUB LAW OFFICES

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	CASE NO. BC 084642
INTERNATIONAL, a California	)	
not-for-profit religious	)	PLAINTIFF'S OPPOSITION TO
corporation;	)	ARMSTRONG'S MOTION TO STRIKE
	)	FIRST AMENDED COMPLAINT;
Plaintiff,	)	REQUEST FOR SANCTIONS AGAINST
	)	GERALD ARMSTRONG AND FORD
	)	GREENE; DECLARATION OF LAURIE
	)	J. BARTILSON AND EXHIBITS IN
vs.	)	SUPPORT THEREOF
	)	[C.C.P. 425.16(c) AND 128.5]
	)	
	)	DATE: October 6, 1993
GERALD ARMSTRONG; THE GERALD	)	TIME: 8:30 A.M.
ARMSTRONG CORPORATION, a	)	DEPT: 30
California corporation; DOES	)	
1-25 INCLUSIVE	)	NO TRIAL DATE
	)	NO DISCOVERY CUT-OFF
Defendants.	)	NO MOTION CUT-OFF

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION . . . . .	1
II. STATEMENT OF FACTS . . . . .	2
III. DISCUSSION. . . . .	6
A. CODE OF CIVIL PROCEDURE SECTION 425.16 IS NOT APPLICABLE TO PLAINTIFF'S COMPLAINT . . . . .	6
B. EVEN IF § 425.16 APPLIES TO THE COMPLAINT, THE CHURCH CAN EASILY ESTABLISH THE PROBABILITY THAT IT WILL PREVAIL ON THE CLAIMS ALLEGED . . . . .	8
1. The Church Need Only Show a Probability of Success On The Merits. . . . .	8
2. This Action Is Authorized By California Law . . . .	11
3. Armstrong's Recitation of Claimed Irrelevant "Bad Acts" Should Be Stricken . . . . .	13
IV. CONCLUSION . . . . .	14



1 TABLE OF AUTHORITIES

2 Page(s)

3 CASES

4 D.H. Overmyer Co. v. Frick Co.

5 (1972) 405 U.S. 174, 92 S.Ct. 775, 31 L.Ed.2d 124 . . . . . 8

6 Hung v. Wang

7 (1992) 8 Cal.App.4th 908, 11 Cal.Rptr.2d 113, . . . . . 8

8 In re Steinberg

9 (1983) 148 Cal.App.3d 14, 195 Cal.Rptr. 613 . . . . . 7

10 ITT Telecomm Products Corporation v. Dooley

11 (1989) 214 Cal.App.3d 307, 262 Cal.Rptr. 773 . . . . . 7

12 Looney v. Superior Court of Los Angeles

13 (1993) \_\_\_\_ Cal.App.4th \_\_\_\_, 20 Cal.Rptr.2d 182 . . . . . 9,10

14 White v. Abrams

15 (9th Cir. 1974) 495 F.2d 724 . . . . . 10

16 Wulfen v. Dolton

17 (1944) 24 Cal.2d 891, 151 P.2d 846 . . . . . 12

18 Yates v. Kuhl

19 (1955) 130 Cal.2d 536, 279 P.2d 563 . . . . . 11, 12

20 STATUTES

21 C.C.P. §425.16(c) . . . . . 2,14

22 C.C.P. § 425.16 . . . . . 2,6

23 C.C.P. §425.16(a) . . . . . 7

24 Section 1047 of the Code of Civil Procedure . . . . . 11

25 OTHER AUTHORITIES

26 Black's Law Dictionary (5th ed. 1979) . . . . . 10

1        **I. INTRODUCTION**

2        This action, the second filed by plaintiff Church of Scientology  
3 International ("the Church") against defendant Gerald Armstrong  
4 ("Armstrong"), was made necessary by nothing other than Armstrong's  
5 own actions. After the Church filed its original claim for breach of  
6 the Settlement Agreement between the parties ("the Agreement"), based  
7 on four different breaches, and after the Church obtained a  
8 preliminary injunction finding that some of those breaches  
9 constituted irreparable harm to the Church, and should therefore be  
10 enjoined, Armstrong chose to breach the Agreement again -- not once,  
11 not twice, but at least six times. In doing so, he apparently hoped  
12 that the Church would be unable to take any action against him  
13 because he had persuaded this Court to stay the first action pending  
14 his frivolous appeal of the preliminary injunction.

15        It is well-settled law, however, that subsequent breaches of a  
16 contract are different causes of action, not the same. To preserve  
17 its claims, the Church filed a second complaint, alleging breaches of  
18 the Agreement which occurred after the first action was filed. The  
19 Church gave notice that the new action was related to the first,  
20 asking to have the new action sent to this Court [Ex. A.] Indeed,  
21 this case had already been transferred to this Court at the time  
22 Armstrong filed his superfluous motion, rendering the bulk of his  
23 arguments moot and meaningless. Far from seeking to undertake  
24 duplicative actions, the Church seeks merely to ensure that it does  
25 not waive any of the claims which it has against Armstrong for breach  
26 of contract. The Church seeks consolidation of the two claims, so  
27 they may be litigated jointly. This action was filed merely to  
28 preserve the Church's claims, so that the Church may seek liquidated



1 damages and a permanent injunction based on all of Armstrong's  
2 breaches of the Agreement, once the Court of Appeal has ruled.

3 Under these circumstances, Armstrong's motion to strike is  
4 patently interposed solely to delay. The Church's action is not one  
5 undertaken to deprive Armstrong of any First Amendment right or  
6 privilege; it is a claim for breach of a contract that has,  
7 preliminarily, been determined to be valid and enforceable.  
8 Armstrong's motion must be denied, and Armstrong and his counsel  
9 ordered to pay sanctions to the Church pursuant to C.C.P. §§  
10 425.16(c) and 128.5.

11 **II. STATEMENT OF FACTS**

12 The facts which are relevant to this motion are simple,  
13 straightforward and, for the most part, uncontested:

14 1. In December, 1986, Armstrong entered into a settlement  
15 agreement with the Church ["the Agreement", Exhibit B]. The Church  
16 paid Armstrong money, and Armstrong agreed to abide by certain terms  
17 and conditions [Ex. C, Armstrong Depo., Vol. III, 301-303; Ex. D,  
18 Armstrong Depo., Vol. V, 535-536];

19 2. As part of the terms and conditions of the settlement,  
20 Armstrong agreed, inter alia, not to discuss or publish materials  
21 concerning his alleged experiences with the Scientology religion, and  
22 not to aid litigants or would-be litigants with interests adverse to  
23 the beneficiaries of the Agreement [Ex. B, ¶¶ 7D, 7G, 7H, 10];

24 3. In 1990, having spent or given away his money, Armstrong  
25 began to spread rumors and lies about the Church, aiding litigants  
26 against the Church, in deliberate and repeated breaches of the terms  
27 of the Agreement [Ex. E]. Armstrong attempted to use his misconduct  
28 to persuade the Church to pay him additional money [Ex. F];



1 4. Rather than submit to Armstrong's extortion, the Church  
2 sued Armstrong for breach of contract, Church of Scientology  
3 International v. Armstrong, LASC No. BC 052395 ("Armstrong Breach I")  
4 [Ex. G, First Amended Complaint];

5 5. After a series of delays engineered by Armstrong, the  
6 Church obtained a preliminary injunction against Armstrong because of  
7 Armstrong's breaches, in which the Honorable Sohigian found, inter  
8 alia:

9 1. Plaintiff's legal remedies are inadequate insofar  
10 as the scope of relief ordered below is concerned, but not  
otherwise.<sup>1</sup> CCP 526(4) and (5).

11 2. The threatened acts which are restrained by the  
12 order referred to below, but only those threatened acts,  
13 would do irreparable harm to plaintiff which could not be  
compensated by monetary damages. CCP 526(2).

14 3. On the basis of the instant record, there is a  
15 reasonable probability that plaintiff will prevail after  
16 trial of this case in the respects restrained by this  
order. CCP 526(1); cf. San Francisco Newspaper Printing  
Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal.App.3d  
438. . .

17 [Ex. H, Preliminary Injunction, emphasis supplied.]

18 6. In granting the Injunction, Judge Sohigian considered  
19 Armstrong's voluminous arguments that the Agreement inhibited his  
20 First Amendment rights, was "illegal" and/or a violation of public

21 <sup>1</sup> Evidence of many additional violations of the  
22 Agreement, including evidence of Armstrong's media appearances,  
23 was not available to the Church until after the hearing on the  
preliminary injunction was held. Armstrong deliberately avoided  
24 appearing for deposition until after the Injunction had issued.  
Hence, Judge Sohigian's order simply did not address Armstrong's  
25 media appearances and interviews in violation of the Agreement,  
but concerned the provision of aid to adverse litigants.  
Thereafter, the Church amended its complaint to detail additional  
26 breaches, admitted by Armstrong, including interviews with  
reporters for Cable Network News and The American Lawyer, as well  
27 as the provision of aid to still more litigants and their  
attorneys. [Ex. G, Sixth & Seventh Causes of Action]

28



1 policy, and determined that the Agreement was enforceable:

2 The law appropriately favors settlement agreements.  
3 Obviously, one limitation on freedom of contract is "public  
4 policy"; in determining the scope of their agreement in the  
5 specific factual context of this case, the court has  
6 weighed the factors referred to in the first sentence of  
7 this section. Litigants have a substantial range of  
8 contractual freedom, even to the extent of agreeing not to  
9 assert or exercise rights which they might otherwise have.

10 [Id., p. 3.]

11 7. Some of the terms of the Agreement, including Armstrong's  
12 agreement not to discuss his claimed experiences with anyone, and not  
13 to make media appearances, included a provision for liquidated  
14 damages in the event of breach, for each such breach [Ex. B, ¶7D];

15 8. Not long after the Injunction was entered, Armstrong  
16 defiantly announced his intention to continue to violate the  
17 Agreement:

18 I have absolutely no intention of honoring that  
19 settlement agreement. I cannot. I cannot logically. I  
20 cannot ethically. I cannot morally. I cannot psychically.  
21 I cannot philosophically. I cannot spiritually. I cannot  
22 in any way. And it is firmly my intention to not honor it.

23 Q. No matter what a court says?

24 A. No court can order it. They're going to have to  
25 kill me.

26 [Exhibit I, Armstrong Depo., Vol I, p. 124.];

27 9. The Complaint in Armstrong Breach I was amended once, in  
28 June, 1992, to add causes of action concerning additional breaches of  
the Agreement by Armstrong which either occurred after the Church  
filed the original claim, or which were discovered by the Church  
after the Church filed its original claim [Ex. G];

10. On March 23, 1993, this Court stayed the proceedings in  
Armstrong Breach I, pending a determination by the Court of Appeal of  
Armstrong's appeal of the preliminary injunction order;



1        11. Armstrong's breaches of the Agreement, however, did not  
2 cease. After the filing of the Amended Complaint in Armstrong Breach  
3 I, Armstrong breached the Agreement in at least the following ways:

4            a. Armstrong, in his continuing employment in Ford  
5 Greene's office, provided substantial paralegal assistance to Greene  
6 in two cases in violation of the Agreement: the Ed Roberts and Denise  
7 Cantin matters. [Ex. J, Armstrong Depo., Vol. IV, 451 - 458.] In  
8 December, 1992, Armstrong even made a settlement demand to  
9 plaintiff's counsel on behalf of Roberts, without bothering to go  
10 through Roberts' attorney, Mr. Greene [Ex. K, p. 6.];

11            b. In November, 1992, while attending a convention of the  
12 Cult Awareness Network, Armstrong videotaped a 60 to 90 minute video  
13 interview with deprogrammer Jerry Whitfield, in which Armstrong  
14 discussed his alleged Scientology experiences at great length [Exs.  
15 L, M]. While at the same convention, Armstrong spoke with  
16 approximately fifty people on the same subject [Ex. N, Armstrong  
17 Depo., Vol. V, 591:17 - 592:25];

18            c. In December, 1992, Armstrong sent a letter to 15  
19 persons, all of whom were litigating or considering litigating claims  
20 against various Churches of Scientology, containing disclosures by  
21 Armstrong of his claimed experiences with Scientology [Ex. K];

22            d. Between December, 1992 and March, 1993, Armstrong was  
23 a paid speaker at an event to approximately 30 to 40 people about his  
24 claimed experiences with Scientology [Ex. N, Depo. of Armstrong, Vol.  
25 V, 600-602];

26            e. In or about June, 1993, Armstrong gave an interview to  
27 one or more reporters from Newsweek magazine, in which he discussed  
28 Agreement beneficiary L. Ron Hubbard [Ex. O];



1 12. Armstrong continued to breach the Agreement even after the  
2 Complaint herein was filed. On August 5, 1993, Armstrong appeared on  
3 the national television show, Entertainment Tonight, in a segment in  
4 which he promoted a screenplay which he claimed to have written  
5 concerning his claimed experiences with Scientology [Exs. P, Q].

6 In short, Armstrong accepted a substantial settlement, agreeing  
7 to certain terms and conditions. Six years later, his money spent or  
8 given away, Armstrong now argues that the Agreement was "invalid"  
9 and/or "violates public policy." This argument was roundly rejected  
10 by Judge Sohigian in Armstrong Breach I, as it has been by every  
11 court to consider similar settlement terms. [Ex. R, Ex. S]. Each  
12 time Armstrong chooses to breach the Agreement, the Church is faced  
13 with the necessity of litigating a new cause of action. In an effort  
14 to avoid successive actions, the Church sought and obtained a  
15 preliminary injunction in Armstrong Breach I, and attempted to obtain  
16 a prompt resolution of that matter by seeking, through summary  
17 adjudication, a permanent injunction.

18 By breaching the Agreement again and again without regard to  
19 the Church's rights, Armstrong forced the Church to file this action  
20 [Ex. T.]

### 21 III. DISCUSSION

#### 22 A. CODE OF CIVIL PROCEDURE SECTION 425.16 IS NOT 23 APPLICABLE TO PLAINTIFF'S COMPLAINT

24 Code of Civil Procedure Section 425.16 was signed into law in  
25 September, 1992. To date, there are no decisions by any appellate  
26 courts interpreting its provisions. Armstrong has attempted to take  
27 advantage of this vacuum of case law in order to urge upon this Court  
28 a misapplication of this narrow statute.



1       Section 425.16 was designed to remedy a particular and well-  
2 defined wrong: the filing of frivolous lawsuits to prevent groups  
3 from validly exercising free speech. This statute is patently not  
4 applicable to this case. This is not an action to "quell free  
5 speech": it is an action for breach of contract. In 1986, Armstrong  
6 entered into an Agreement with the Church. Pursuant to that  
7 Agreement, and in exchange for substantial consideration, Armstrong  
8 agreed to limitations on his freedom of speech. Armstrong has made  
9 no effort to rescind the Agreement, or to return the money which he  
10 accepted from the Church in 1986. No court has declared that  
11 Agreement to be invalid or unenforceable; to the contrary, the only  
12 court which has considered the question on its merits has ruled that  
13 the Agreement is valid and enforceable. [Ex. H.]<sup>2</sup> By entering into

14  
15       <sup>2</sup> Before that determination was made, Armstrong argued  
16 extensively that he should be permitted to breach the Agreement  
17 because it infringed on his rights to speak freely. The cases  
18 are quite clear, however, that a party may, indeed, contract to  
19 limit his or her speech, particularly when settling outstanding  
20 disputes ITT Telecomm Products Corporation v. Dooley (1989) 214  
21 Cal.App.3d 307, 319 (Free speech rights held waived by  
22 contractual nondisclosure agreement); In re Steinberg (1983) 148  
23 Cal.App.3d 14, 20 (Movie maker's First Amendment right to  
24 disseminate his movie was limited by agreement to submit movie  
25 for editing prior to release). Directly on point is Trump v.  
26 Trump (1992) \_\_\_\_ N.Y.2d. \_\_\_\_ [Ex. S.] The Trumps entered into a  
27 post-nuptial agreement describing their rights and duties in the  
28 event of divorce. Inter alia, Ivana Trump agreed not to  
"directly or indirectly publish, or cause to be published, any  
diary, memoir, letter, story, photograph, interview, article,  
essay, account or description of any kind whatsoever . . . "  
concerning Donald or their marriage. Slip Op. at 3. Later,  
Ivana accepted the large sums which Donald had agreed to pay  
pursuant to the Agreement, and accepted entry of the terms of the  
Agreement as judgment. On its own motion, however, the trial  
court excepted the non-disclosure provisions from the entered  
judgment. Id. at 4-5. The New York appellate court found this  
to be an abuse of the trial court's discretion. Id. at 9.  
Noting that, in resolving litigation, "parties 'may stipulate  
away statutory, and even constitutional rights,'" id. at 5  
(citations omitted), the appellate court reinstated the non-  
disclosure provisions, noting that nothing in them "offend[s]"



1 the Agreement and accepting the consideration offered, Armstrong  
2 explicitly and deliberately waived any rights he may have had to  
3 publicly discuss his claimed Scientology experiences, or to help  
4 litigants pursuing claims against the Church and related entities.  
5 As demonstrated supra, Armstrong's activities (which he admits) are  
6 obvious and deliberate breaches of the Agreement. If Armstrong  
7 chooses to violate the Agreement, he must be prepared to pay  
8 plaintiff the agreed-upon amounts in liquidated damages for his  
9 breaches, and he must expect that plaintiff will firmly request that  
10 he be legally restrained from future violations of the Agreement.

11 **B. EVEN IF § 425.16 APPLIES TO THE COMPLAINT, THE CHURCH CAN**  
12 **EASILY ESTABLISH THE PROBABILITY THAT IT WILL PREVAIL ON**  
13 **THE CLAIMS ALLEGED**

14 **1. The Church Need Only Show a Probability of Success On**  
15 **The Merits**

16 No court has as yet determined the meaning of C.C.P. §425.16, so  
17 the precise standard posed by the legislature's requirement that a  
18 plaintiff combatting a motion to strike demonstrate a "probability of  
19 success" remains obscure. Nonetheless, courts have analyzed a  
20 requirement by the legislature that a plaintiff demonstrate a  
21 "reasonable probability of success," obviously a higher standard, but  
22 one that sheds some light on the analysis to be done.

23 In Hung v. Wang (1992) 8 Cal.App.4th 908, 11 Cal.Rptr.2d 113,  
24 the court analyzed the burden placed on a party who must make a  
25 preliminary showing that there is a "reasonable probability of  
26 success" in order to plead a claim of civil conspiracy between an

27 public policy as a prior restraint on protected speech." Id. at  
28 9 (citations omitted). The Court was careful to note that a non-  
disclosure agreement done in settlement of litigation did not  
constitute the "state action" which is a necessary component of  
prior restraint.



1 attorney and client. The court in that case concluded the trial  
2 judge must make a determination as to: "whether the proposed  
3 conspiracy pleading is legally sufficient, and whether it is  
4 supported by a sufficient prima facie showing of facts to sustain a  
5 favorable decision if the evidence submitted by the petitioner is  
6 credited...." The court stated:

7 The phrase, 'a reasonable probability' may be taken to mean  
8 that the petitioner must show that he or she has a case  
9 that will survive a motion for non-suit and that, if  
10 successful, will be supported by sufficient evidence to  
11 warrant affirmance on appeal. This construction gives to  
12 the noun 'probability' its literal meaning as descriptive  
13 of the relative likelihood of an outcome. [Citation.] The  
14 adjective 'reasonable' requires the petitioner to do more  
15 than demonstrate some chance of winning; the petitioner  
16 must show that, given the evidence, he or she has a  
17 substantial case. If the legislature had intended it to  
18 require a petitioner to not only show a cognizable case but  
19 also that it is a winning case, it would have been a simple  
20 matter to use language that would have conveyed that  
21 meaning unambiguously, or at least with greater clarity.  
22 [Citations.]

23 8 Cal.App.4th at 929 (emphasis added and in the original).

24 Other cases have also held that a plaintiff demonstrating  
25 "reasonable probability" of success must make a prima facie showing  
26 of facts to sustain a favorable decision. Looney v. Superior Court  
27 of Los Angeles (1993) \_\_\_ Cal.App.4th \_\_\_, 20 Cal.Rptr.2d 182. In  
28 Looney v. Superior Court, supra, the Court of Appeal interpreted the  
language of Civil Code Section 425.13, which prevents the pleading of  
a punitive damage claim unless the plaintiff can demonstrate a  
probability of success as a precondition to pleading punitive  
damages. The court in Looney ruled:

[I]t is only necessary that plaintiff provide 'a sufficient  
prima facie showing of facts to sustain a favorable  
decision if the evidence submitted by the [plaintiff] is  
credited.' [Citing Hung v. Wang.] The trial court is not  
required to make any factual determination or to become  
involved in any weighing process beyond that necessarily



1 involved in deciding whether a prima facie case for  
2 punitive damages exists. Once the court concludes that  
3 such a case can be presented at trial it must permit the  
4 proposed amended pleading to be filed. If it concludes  
5 that no such case exists, then it properly rejects the  
6 proposed pleading amendment. In making this judgment, the  
7 trial court's consideration of the defendants' opposing  
8 affidavits does not permit a weighing of them against the  
9 plaintiff's supporting evidence, but only a determination  
10 that they do not, as a matter of law, defeat that evidence.

11 Looney v. Superior Court, \_\_\_ Cal.App. \_\_\_, 20 Cal.Rptr. at 192  
12 (emphasis in original).

13 A "'prima facie case' consists of sufficient evidence to get a  
14 plaintiff past a motion for directed verdict in a jury case." White  
15 v. Abrams (9th Cir. 1974) 495 F.2d 724. Id. A prima facie showing  
16 "is evidence which, if unexplained or uncontradicted, is sufficient  
17 to sustain a judgment in favor of the issue which it supports, but  
18 which may be contradicted by other evidence." Black's Law Dictionary  
19 (5th ed. 1979).

20 As demonstrated in Part II, supra, the Church's claims are based  
21 not merely on "some evidence," but on strong evidence, most of it  
22 from Armstrong's own mouth or pen, that Armstrong has deliberately  
23 violated the terms of the Agreement in precisely the manner alleged  
24 in the Complaint. In defense, in addition to the argument, disposed  
25 of supra, that he believes the Agreement to be invalid (an opinion  
26 which is directly contradicted by Judge Sohigian's interim order),  
27 Armstrong argues only (1) that he believes this action to be  
28 duplicative of Armstrong Breach I and (2) the Church should not be  
permitted to bring an action for breach of contract because it is  
"bad." Neither of these arguments negates the Church's strong  
showing of a probability of success on the merits.



1                   2.    This Action Is Authorized By California Law

2           Section 1047 of the Code of Civil Procedure provides that  
3 "[s]uccessive actions may be maintained upon the same contract or  
4 transaction, whenever, after the former action, a new cause of action  
5 arises therefrom." The section is intended to protect parties to a  
6 contract from repeated breaches, and has been the law in California  
7 since 1872.

8           Directly on point is Yates v. Kuhl (1955) 130 Cal.2d 536, 279  
9 P.2d 563. In Yates, defendants conveyed land to plaintiffs by a deed  
10 which granted plaintiffs the use of water for agricultural and  
11 hunting purposes. Plaintiffs constructed duck blinds on their  
12 property, and sold hunting rights. When defendants cut off  
13 plaintiffs' water supply, plaintiffs sued for breach of contract.  
14 Defendants were enjoined from cutting off the water. The day after  
15 the (injunction was entered,) defendants again cut off plaintiffs'  
16 water supply. Plaintiffs brought a second action, seeking damages.  
17 The defendants argued, like Armstrong here, that the second action  
18 was duplicative of the first, and that the plaintiffs should have  
19 simply sought to have them held in contempt for their second breach.

20           The California Supreme court disagreed with defendants, finding  
21 that

22           The instant case is not one wherein there has been a  
23 continuing breach. It concerns successive causes of action  
24 arising out of the same general subject matter -- the right  
25 to the water. . . . The first action was a single cause  
26 based upon events occurring on November 5, 1949, and  
27 determined the plaintiffs' right to the water. . . . The  
second action was solely for the damage caused by the acts  
occurring [after the first action] which kept the available  
water from flooding plaintiffs' land, and was not one for  
additional damages for the particular breach involved in  
the former action.

28 279 P.2d at 566. The Court also held that plaintiffs were not



1 limited to a contempt action to vindicate their rights, "that was  
2 merely an additional remedy for the tortious acts" which was  
3 available to plaintiffs if they chose to use it. Id.

4 Like the agreement in Yates, the Agreement herein imposes upon  
5 Armstrong a continuing obligation to refrain from certain actions.  
6 When Armstrong chooses to act in violation of his contractual  
7 obligations, his actions give rise to a new cause of action. The  
8 causes of action contained in the Complaint are not, as Armstrong  
9 asserts, "whether or not the settlement contract is enforceable,"  
10 Moving Papers at 10. The causes of action are each individual claims  
11 that Armstrong, by certain specified acts, breached the Agreement.  
12 Armstrong's defense, an attack on the Agreement, may indeed be the  
13 same to all the claims. The claims themselves are, as set forth  
14 clearly in Part II, supra, quite different from one another.

15 Wulfen v. Dolton (1944) 24 Cal.2d 891, 151 P.2d 846, cited by  
16 Armstrong, is plainly inapposite. There, plaintiff alleged in her  
17 first action that she was defrauded by defendants. In her second  
18 action, she alleged the same fraudulent representations, and claimed  
19 the same injuries based on the same transactions, but alleged a  
20 different legal theory of recovery, conspiracy. The Court had no  
21 difficulty in ascertaining that the second action was improper  
22 because "the prior action arose out of the same facts and  
23 transactions, and was based on the same subject matter as those in  
24 the [second] action." 151 P.2d at 848.

25 This case is quite different. Here, the Church has filed a  
26 complaint based on Armstrong's actions which occurred after the  
27 filing of the complaint in Armstrong Breach I. Each is based on  
28 different facts, and each presents a different breach of the



1 Agreement.<sup>3</sup>

2 3. Armstrong's Recitation of Claimed Irrelevant "Bad  
3 Acts" Should Be Stricken

4 Armstrong's last, strange argument is that the Church should not  
5 be permitted to even file a complaint for breach of contract because  
6 it has "unclean hands." Armstrong's argument seems to be that,  
7 because he and a handful of other persons litigating against the  
8 Church don't like their former religion, this Court should simply  
9 close its doors. With a barrage of irrelevant, highly prejudicial,  
10 and largely inadmissible paper, Armstrong thus hopes to enlist this  
11 Court's support for his political "cause."

12 Nothing in Armstrong's substantial and irrelevant stack of  
13 claimed "wrongs" by the Church has anything to do with the matters  
14 alleged in the Church's complaint herein, or even with Armstrong  
15 Breach I. In Armstrong's view, any attempt by the Church to enforce  
16 the Agreement, including simply filing a complaint, is an "evil" act  
17 intended to "drive him insane." [Ex. I, Armstrong, Depo., Vol. 1,  
18 33:13-35:25.]

19 Breach of contract, however, is not an action in equity. The  
20 Church's complaint seeks substantial damages based on Armstrong's  
21 demonstrated (indeed, admitted) breaches, in addition to permanent  
22 injunctive relief. Even a provable defense of unclean hands (which  
23 Armstrong has certainly not demonstrated) is inapplicable to a claim  
24 for damages for breach of contract.

---

25  
26 <sup>3</sup> As stated before, the Church has no objection to  
27 consolidating these two matters, for pretrial and for trial. The  
28 concern is merely that the Church be permitted to preserve its  
claims against Armstrong, which arise each time he breaches the  
Agreement.



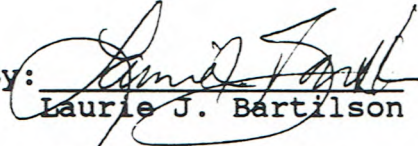
1 IV. CONCLUSION

2 Section 425.16(c) provides in relevant part that "[i]f the court  
3 finds that a special motion to strike is frivolous or is solely  
4 intended to cause unnecessary delay, the court may award costs and  
5 reasonable attorney's fees to a plaintiff prevailing on the motion,  
6 pursuant to Section 128.5." Here, as demonstrated above, Armstrong's  
7 motion was baseless. It is predicated on a lengthy and erroneous  
8 agreement that plaintiff sought to have this action put before a  
9 different judge when in fact this case was already assigned to this  
10 Court before Armstrong filed his motion. Further, it is brought  
11 under an inapplicable statute, raising the same tired arguments  
12 already rejected by Judge Sohigian. Because this motion was  
13 frivolous, and improperly brought to solely delay and impede the  
14 litigation of this matter and is meritless, it must be denied, and  
15 the Church awarded its attorneys fees and costs of \$2,405.00.  
16 [Declaration of Laurie J. Bartilson.]

17 Dated: September 29, 1993

Respectfully submitted,

18 BOWLES & MOXON

19  
20 By:   
21 Laurie J. Bartilson

22 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

23 Attorneys for Plaintiff  
24 CHURCH OF SCIENTOLOGY  
INTERNATIONAL  
25  
26  
27  
28



BARTILSON DEC



DECLARATION OF LAURIE J. BARTILSON


I, LAURIE J. BARTILSON, hereby depose and state:

1. I am an attorney, licensed to practice law in the State of California. I am a partner in the law firm of Bowles & Moxon and am counsel of record for plaintiff Church of Scientology International ("the Church") in the above-referenced action. I have personal knowledge of the matters set forth herein and, if called upon to do so, could and would competently testify thereto.

2. I have expended 11 hours in the preparation of plaintiff's opposition to defendant's special motion to strike. In addition, I expect to expend another 2 hours preparing for and appearing at the oral argument on this motion. My normal billing rate is \$185 per hour. The cost to my client in attorneys' fees for opposing this motion will thus be \$2405.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct.

Executed at Los Angeles, California this 29th day of September, 1993.

  
LAURIE J. BARTILSON







1 Andrew H. Wilson  
2 WILSON, RYAN & CAMPILONGO  
3 235 Montgomery Street  
4 Suite 450  
5 San Francisco, California 94104  
6 (415) 391-3900

7 Laurie J. Bartilson  
8 BOWLES & MOXON  
9 6255 Sunset Boulevard  
10 Suite 2000  
11 Hollywood, California 90028  
12 (213) 953-3360

13 Attorneys for Plaintiff  
14 CHURCH OF SCIENTOLOGY INTERNATIONAL

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-  
for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; THE GERALD  
ARMSTRONG CORPORATION, a  
California corporation; DOES 1  
through 25, inclusive,

Defendants.

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-  
for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; THE GERALD  
ARMSTRONG CORPORATION, a  
California for-profit corporation;  
DOES 2 through 25, inclusive,

Defendants.

AND RELATED CROSS-COMPLAINT

ORIGINAL FILED

AUG 09 1993

SUPERIOR COURT

AUG 09 1993

SUP



1 PLEASE TAKE NOTICE that the recently-filed case entitled  
2 Church of Scientology International v. Gerald Armstrong, et al.,  
3 LASC No. BC 084642 is related to the case of Church of  
4 Scientology International v. Gerald Armstrong, et al., LASC No.  
5 BC 052395, currently pending in Department 32 of this Court. The  
6 cases deal with different breaches by Armstrong of the same  
7 contract, and consequently raise many substantially identical  
8 questions of law and fact.

9 DATED: August 6, 1993

BOWLES & MOXON

10  
11  
12 By: 

Laurie J. Bartilson

13  
14 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

15 Attorneys for Plaintiff  
16 CHURCH OF SCIENTOLOGY  
INTERNATIONAL  
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18 H:\ARMSTRON\NOTICE.REL  
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PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On August 6, 1993, I served the foregoing document NOTICE OF RELATED CASE on interested parties described as in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

Paul Morantz, Esq.                               **BY MAIL**  
P.O. Box 511  
Pacific Palisades, CA 90272

Ford Greene, Esq.                               **BY MAIL**  
HUB LAW OFFICES  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960

Gerry Armstrong                               **BY MAIL**  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is



presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Executed on August 6, 1993 at Los Angeles, California.

- [ ] **\*\*(BY PERSONAL SERVICE)** I delivered such envelope by hand to the offices of the addressee.

Executed on \_\_\_\_\_, at Los Angeles, California.

- [X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

- [ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

---

Type or Print Name

---

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)







MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.



amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,



for or because of any act or omission alleged to be done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

- (a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;
- (b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and
- (c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make



himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and



all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

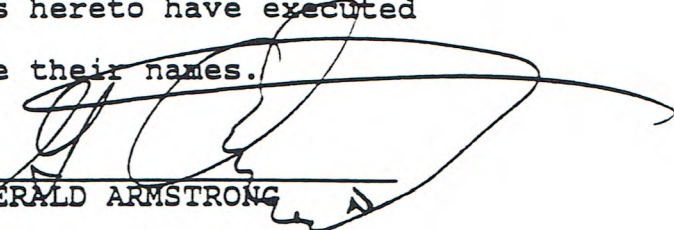


jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

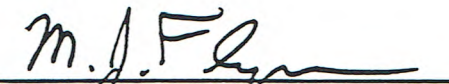
  
GERALD ARMSTRONG

  
Witness

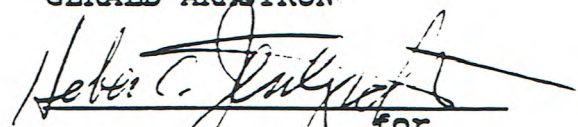
  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL







IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

--oOo--

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California  
not-for-profit religious  
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1-25,  
inclusive,

Defendants.

**CERTIFIED  
COPY**

No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

Volume III

October 7, 1992

REPORTED BY: LARRY BOSTOW, CSR# 5941

**MARY HILLABRAND INC.**

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 94102

PHONE 415 / 788-5350 FAX 415 / 788-0657



1 A. Fair.

2 Q. All right. Mr. Armstrong, I'm going to hand  
3 you a document that has already been marked. It's a copy  
4 of a document previously marked as Exhibit 6 to your  
5 deposition. Take a look at it, please.

6 A. Yes.

7 Q. Now, Mr. Armstrong, that's the document that  
8 is the agreement which is the subject of the dispute in  
9 this litigation; is that correct?

10 A. Yes.

11 Q. And this is an agreement which you signed on  
12 December 6th, 1986; is that correct?

13 MR. GREENE: That's asked and answered.

14 Don't answer the question.

15 Go ahead.

16 MS. BARTILSON: It hasn't been answered as  
17 to this document.

18 MR. GREENE: Yeah, it has. Wilson went  
19 through all this. That's the agreement. That's  
20 Armstrong's signature.

21 Let's proceed.

22 Ask him something new.

23 Don't answer the question.

24 MS. BARTILSON: Actually, he hasn't, so I'm  
25 going to make the record.



1 Q. Mr. Armstrong, if you look at page 3,  
2 please, of the agreement: The signature that appears  
3 partway down the page is your signature; is that correct?

4 A. Yes.

5 Q. And if you look at page 16 of the agreement,  
6 the first signature on that page, appearing about halfway  
7 down, is your signature; is that correct?

8 A. Yes.

9 Q. Looking through the agreement: Those are  
10 your initials that appear on each page of the agreement;  
11 is that correct?

12 A. Yes.

13 Q. On the bottom right-hand corner?

14 A. Yes.

15 Q. And you made those initials yourself?

16 A. Yes.

17 Q. On December 6th, 1986?

18 A. Yes.

19 Q. If you would look, please, at paragraph 1 on  
20 page 2 of the agreement.

21 A. Yes.

22 Q. You see in that paragraph, it says,  
23 "Plaintiff has received payment of a certain monetary sum  
24 which is a portion of a total sum of money paid to his  
25 attorney, Michael J. Flynn."



1 Was that true, at the time that you signed  
2 the agreement --

3 A. No.

4 Q. -- that you received payment?

5 A. No.

6 Q. Did you, at some later time, receive  
7 payment?

8 A. Yes.

9 Q. Did you know, at the time that you signed  
10 the agreement, how much the payment was going to be?

11 A. Yes.

12 Q. You see where it says in that paragraph,  
13 "Plaintiff's signature below this paragraph acknowledges  
14 that Plaintiff is completely satisfied with the monetary  
15 consideration negotiated with and received by Michael J.  
16 Flynn"?

17 A. Yes.

18 Q. Was that true, at the time you signed the  
19 agreement, that you were --

20 A. Yes.

21 Q. -- satisfied with it?

22 That's all on that one.

23 I will do my best not to go over anything  
24 that's previously been covered in previous depositions.  
25 That's really not my aim here. There are some areas







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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF LOS ANGELES

---oOo---

CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
not-for-profit religious )  
corporation, )  
Plaintiff, )  
vs. )  
GERALD ARMSTRONG; DOES )  
1 through 25, inclusive, )  
Defendants. )  
\_\_\_\_\_ )

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**COPIES**

Case No. BC 052395

DEPOSITION OF  
GERALD ARMSTRONG  
VOLUME V  
PAGES 525 - 624

\_\_\_\_\_  
WEDNESDAY, MARCH 10, 1993

REPORTED BY: LYNN P. NYLUND, CSR NO. 3696

Mary Hillabrand, Inc.  
520 Sutter Street  
San Francisco, CA 94102



1 dismiss the counterclaim that you had pending against the  
2 Church in the Church of Scientology of California versus  
3 Armstrong?

4 A. Again, although that is, I think, obvious in  
5 the fact that a settlement was going down, again I have  
6 no specific recollection of discussing that with him.

7 Q. Do you recall discussing with him the  
8 provisions in the contract which provided that you would  
9 not provide aid or assistance to others litigating  
10 against the Church of Scientology entities or  
11 individuals?

12 A. Same answer. I have no recollection of  
13 discussing that.

14 Q. When did you and Mr. Flynn agree on an  
15 amount for you to receive as a result of the settlement?

16 A. I cannot give you a specific date, but it  
17 was prior to the -- prior to seeing the Settlement  
18 Agreement.

19 Q. Was it before you flew out to Los Angeles?

20 A. I believe so.

21 Q. This was an oral agreement between you and  
22 Mr. Flynn initially?

23 MR. GREENE: Just so long as we are not  
24 using the word "agreement" here in some kind of a legally  
25 conclusionary sense, you can go ahead and answer that.



1 Just starting to get a little uncomfortable. Go ahead.

2 THE WITNESS: So -- and also without waiving  
3 any attorney/client privilege which exists between me and  
4 Mr. Flynn up to that time, so before.

5 MS. BARTILSON: Q. It was oral? You had  
6 an oral understanding before you flew out --

7 A. Yes.

8 Q. -- from discussions with Mr. Flynn?

9 And what was the agreement that you agreed  
10 on?

11 A. Well, I will tell you this about it --  
12 because some of the costs and how the fees were divided  
13 up in that whole settlement I don't know. But I was to  
14 end up with 520,000. I did end up with 518,500, which  
15 was the totality of my portion of the settlement.

16 Q. And that was exclusive of any expenses and  
17 so on that Mr. Flynn took before he gave you the money?

18 A. Correct.

19 Q. Before you flew to Los Angeles it was your  
20 understanding that if settlement was reached that you  
21 would be receiving net approximately \$520,000?

22 A. Correct.

23 Q. Did you at some point have a written  
24 agreement with Mr. Flynn as to the amount that you would  
25 be receiving in settlement?







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8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL  
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
13 not-for-profit religious )  
corporation; )

14 Plaintiff, )

15 vs. )

16 )  
17 GERALD ARMSTRONG; DOES 1 )  
through 25, inclusive, )  
18 )  
19 Defendants. )

Case No. 152320

VERIFIED COMPLAINT FOR  
DAMAGES AND FOR  
PRELIMINARY AND PERMANENT  
INJUNCTIVE RELIEF FOR  
BREACH OF CONTRACT

20 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
21 Bowles & Moxon, alleges:

22 NATURE OF THE ACTION

23 1. In violation of the express terms and spirit of a  
24 settlement agreement ("the Agreement") entered into in December,  
25 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
26 deliberate campaign designed to aid plaintiff's litigation  
27 adversaries, breach the confidentiality provisions of the Agreement,  
28 and foment litigation, hatred and ill-will toward

FILED

FEB - 4 1992

HOWARD HANSON  
MARIN COUNTY CLERK  
by P. Fan, Deputy



1 plaintiff.

2        2. Five years ago, plaintiff Church of Scientology  
3 International ("CSI") entered into the Agreement with Armstrong, on  
4 its own behalf and for the benefit of numerous third-party  
5 beneficiaries. The Agreement provided for a mutual release and  
6 waiver of all claims arising out of a cross-complaint which  
7 defendant Armstrong had filed in the case of Church of Scientology  
8 of California v. Gerald Armstrong, Los Angeles Superior Court No. C  
9 420153. Armstrong, a former Church member who sought, by both  
10 litigation and covert means, to disrupt the activities of his former  
11 faith, displayed through the years an intense and abiding hatred for  
12 the Churches, and an eagerness to annoy and harass his former co-  
13 religionists by spreading enmity and hatred among members and former  
14 members. Plaintiff sought, with the Agreement, to end all of  
15 Armstrong's covert activities against it, along with the litigation  
16 itself. For that reason, the Agreement contained carefully  
17 negotiated and agreed-upon confidentiality provisions and provisions  
18 prohibiting Armstrong from fomenting litigation against plaintiff by  
19 third parties. These provisions were bargained for by plaintiff to  
20 put an end to the enmity and strife generated by Mr. Armstrong once  
21 and for all.

22        3. This action arises out of deliberate and repeated breaches  
23 by Armstrong of these and other express provisions of the settlement  
24 Agreement. Although plaintiff fully performed all of its  
25 obligations under the Agreement, Armstrong appears to consider that  
26 his obligations under the Agreement ended as soon as he had finished  
27 spending the money he extracted from plaintiff as the price of his  
28 signature. In June, 1991, Armstrong began a systematic campaign to



1 foment litigation against plaintiff by providing confidential  
2 information, copies of the Agreement, declarations, and "paralegal"  
3 assistance to litigants actively engaged in litigation against his  
4 former adversaries. Although plaintiff has repeatedly demanded that  
5 Armstrong end his constant and repeated breach of the provisions of  
6 the Agreement, Armstrong appears to delight in renewing his annoying  
7 and harassing activities, admitting to them in sworn declarations,  
8 and refusing to end his improper liaisons.

9 4. With this complaint, plaintiff seeks the Court's aid in  
10 obtaining the peace for which it bargained more than five years ago.  
11 Plaintiff requests liquidated damages pursuant to the terms of the  
12 Agreement, as well as injunctive relief to prevent additional and  
13 future breaches of the Agreement by Armstrong.

14 THE PARTIES

15 5. Plaintiff Church of Scientology International is a non-  
16 profit religious corporation incorporated under the laws of the  
17 State of California, having its principal offices in Los Angeles,  
18 California. Plaintiff CSI is the Mother Church of the Scientology  
19 religion.

20 6. Defendant Gerald Armstrong is a resident of Marin County,  
21 California.

22 7. Plaintiff is ignorant of the names and capacities of the  
23 defendants identified as DOES 1 through 25, inclusive, and thus  
24 brings suit against those defendants by their true names upon the  
25 ascertainment of their true names and capacities, and their  
26 responsibility for the conduct alleged herein.

27 / / /

28 / / /



THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, described in Paragraph 1 of this Complaint.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the church who would be willing to assist him in overthrowing Church leadership. The church obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On four separate occasions in November, 1984, Armstrong met with two individuals that he considered to be defectors, whom he knew as "Joey" and "Mike." In reality, both "Joey" and "Mike" were loyal Church members who, with permission from the Los Angeles police, agreed to have their conversations with



1 Armstrong surreptitiously videotaped. during the course of these  
2 conversations, Armstrong:

3 a. Demanded that "Joey" provide him with copies  
4 of documents published by the Churches so that he could forge  
5 documents in the same style. Armstrong wanted "Joey" to then  
6 plant these Armstrong creations in the Church's files so that  
7 Armstrong could tip off the Internal Revenue Service Criminal  
8 Investigations Division ("CID"), and the incriminating  
9 documents would be found in a resulting raid;

10 b. Sought to "set up" the defection of a senior  
11 Scientologist by finding a woman to seduce him;

12 c. Told "Joey" all about his conversations with Al  
13 Lipkin, an investigator for the L.A. CID, and attempted  
14 to get "Joey" to call Lipkin and give him false information  
15 that would implicate the church's leaders in the misuse of  
16 donations; and

17 d. Instructed "Mike" on the methods of creating a  
18 lawsuit against the church leadership based on nothing at  
19 all:

20 ARMSTRONG: They can allege it. They can  
21 allege it. They don't even have -- they can  
22 allege it.

23 RINDER: So they don't even have to have the  
24 document sitting in front of them and then--

25 ARMSTRONG: F\_\_\_\_ing say the organization destroys  
26 the documents.

27 \* \* \*

28 Where are the -- we don't have to prove a goddamn  
thing. We don't have to prove s\_\_t; we just have to  
allege it.

/ / /



Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

12. The Agreement also provided that plaintiff CSI would pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

13. CSI paid to Mr. Flynn the lump sum settlement amount.

14. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount.

15. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

**FIRST CAUSE OF ACTION**

(Against Armstrong for Breach of Contract)

16. Plaintiff realleges paragraphs 1 - 15, inclusive, and incorporates them herein by reference.

17. Vicki and Richard Aznaran ("the Aznarans") are former Scientology parishioners currently engaged in litigation against, inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, Case No. CV 88-1786 JMI (Ex).

18. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.



1        19. While acting as the Aznarans' counsel, Yanny hired Gerald  
2 Armstrong as a paralegal to help Yanny on the Aznaran case.

3        20. In July, 1991, Armstrong agreed to travel from Marin  
4 County to Los Angeles and asked Yanny to pay him \$500 for his  
5 proposed help.

6        21. In July, 1991, Armstrong did travel to Los Angeles as he  
7 had agreed, stayed with Yanny on July 15 and July 16, 1991, and  
8 provided Yanny with paralegal assistance and a declaration for the  
9 Aznaran case.

10       22. Yanny is former counsel to CSI, and his substitution into  
11 the case was vacated by the Court sua sponte on July 24, 1991, the  
12 Court noting that Yanny's retention as the Aznarans' counsel was  
13 "highly prejudicial" to RTC and CSI.

14       23. Armstrong's acceptance of employment by Yanny to work on  
15 the Aznarans' litigation is a direct violation of Paragraphs 7(G)  
16 and 10 of the Agreement.

17       24. As a direct and proximate result of Armstrong's breach of  
18 the agreement by providing paralegal assistance to Yanny in the  
19 Aznarans' litigation, plaintiff has incurred damages which are not  
20 presently calculable. In no event, however, are they less than  
21 \$800,000. Consequently, for this breach plaintiff seeks compensatory  
22 and consequential damages according to proof.

23                                    SECOND CAUSE OF ACTION

24                    (Against Armstrong for Breach of Contract)

25        25. Plaintiff realleges paragraphs 1 - 15, 17-23, inclusive,  
26 and incorporates them herein by reference.

27        33. After Yanny entered his appearance in the Aznarans' case  
28 and indicated to CSI's counsel that he represented Gerald Armstrong



1 as well, CSI brought suit against Yanny in the case of Religious  
2 Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles  
3 Superior Court No. BC 033035 ("RTC v. Yanny"). In that action,  
4 plaintiff sought and obtained a Temporary Restraining Order and a  
5 Preliminary Injunction against Yanny, which prohibit Yanny from  
6 aiding, advising, or representing, directly or indirectly, the  
7 Aznarans or Armstrong, on any matters relating to the plaintiff.

8 27. At the hearings before the Court on the temporary  
9 restraining order and the injunction, Yanny filed two declarations  
10 prepared and executed by Armstrong on July 16, 1991. The  
11 declarations were offered by Yanny as part of Yanny's defense, which  
12 was ultimately rejected by the Court when it issued its injunction.

13 28. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
14 direct violation of Paragraphs 7(G) and 10 of the Agreement.

15 29. Armstrong attached as an exhibit to one of his July 16,  
16 1991 declarations a copy of the Agreement, the terms of which he had  
17 agreed, pursuant to paragraph 18(D), to keep confidential. This  
18 disclosure of the terms of the Agreement is a violation of its non-  
19 disclosure provisions, requiring that Armstrong pay to CSI, RTC and  
20 CSC \$50,000 in liquidated damages.

21 30. Despite demand by plaintiff, Armstrong has failed and  
22 refused to pay them the \$50,000 owed in liquidated damages for this  
23 breach of the Agreement.

### 24 THIRD CAUSE OF ACTION

25 (Against All Defendants for Breach of Contract)

26 31. Plaintiff realleges paragraphs 1 - 15, 17-23, 26-30,  
27 inclusive, and incorporates them herein by reference.

28 32. After Yanny's substitution into the Aznarans' case was



1 summarily vacated, Ford Greene was reinstated as the Aznarans'  
2 counsel of record. Ford Greene's law offices are located in San  
3 Anselmo, California.

4 33. In or about August, 1991, Armstrong began working in Ford  
5 Greene's office for Greene as a paralegal on the Aznarans' case.  
6 Armstrong's employment in Greene's office has continued to the  
7 present. Armstrong's activities constitute a daily and continuing  
8 breach of his contract, rendering plaintiff's bargain a nullity.

9 34. Plaintiff CSI has already incurred, and continues to incur,  
10 damages as a direct and proximate result of Armstrong's provision of  
11 aid to Greene in the Aznarans' case. Those damages are not  
12 presently calculable and will cease only when Armstrong is ordered  
13 to stop his improper conduct. In no event, however, are they less  
14 than \$800,000. Consequently, for this breach plaintiff seeks  
15 compensatory and consequential damages according to proof.

16 FOURTH CAUSE OF ACTION

17 (Against All Defendants for Breach of Contract)

18 35. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34,  
19 inclusive, and incorporates them herein by reference.

20 36. In addition to the paralegal services which Armstrong has  
21 provided to Ford Greene on the Aznarans' litigation, Armstrong also  
22 provided the Aznarans with a declaration, dated August 26, 1991, and  
23 filed in the Aznarans' case. In that declaration, Armstrong  
24 describes some of his alleged experiences with and concerning  
25 plaintiff, and purports to authenticate copies of certain documents.  
26 These actions and disclosures are violations of Paragraphs 7(G),  
27 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI  
28 and RTC \$50,000 in liquidated damages.



1 37. Despite demand by plaintiff, Armstrong has failed and  
2 refused to comply with the liquidated damages provision by paying  
3 \$50,000 to plaintiff as demanded for this breach of the Agreement.

4 **FIFTH CAUSE OF ACTION**

5 (Against All Defendants for Injunctive Relief)

6 38. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34,  
7 36-37, inclusive, and incorporates them herein by reference.

8 39. As a direct and proximate result of Armstrong's breach of  
9 the agreement by providing assistance to Greene in the Aznarans'  
10 litigation, which breach is, on information and belief, persistent  
11 and continuing, CSI is and will continue to be irreparably harmed,  
12 and unless Armstrong and those acting in concert with him are  
13 temporarily, preliminarily and permanently enjoined from continuing  
14 that unlawful conduct, further irreparable harm will be caused to  
15 CSI.

16 40. Further, as a direct and proximate result of Armstrong's  
17 breach of the agreement by providing assistance to Yanny in Yanny's  
18 litigation, which breach is, on information and belief, persistent  
19 and continuing, CSI is and will continue to be irreparably harmed,  
20 and unless Armstrong and those acting in concert with him are  
21 temporarily, preliminarily and permanently enjoined from continuing  
22 that unlawful conduct, further irreparable harm will be caused to  
23 CSI.

24 WHEREFORE, plaintiff prays for judgment as follows:

25 **ON THE FIRST CAUSE OF ACTION**

26 1. For compensatory and consequential damages according to  
27 proof, but in no event less than \$800,000.

28 2. For attorneys' fees and costs of suit.



**ON THE SECOND CAUSE OF ACTION**

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

**ON THE THIRD CAUSE OF ACTION**

1. For compensatory and consequential damages according to proof, but in no event less than \$800,000.
2. For attorneys' fees and costs of suit.

**ON THE FOURTH CAUSE OF ACTION**

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

**ON THE FIFTH CAUSE OF ACTION**

1. For a temporary restraining order, preliminary injunction and a permanent injunction enjoining defendants from violating the terms of the Agreement.

**ON ALL CAUSES OF ACTION**

1. For such other and further relief as the Court may deem just and proper.

DATED: February 4, 1992

WILSON, RYAN & CAMPILONGO

By: \_\_\_\_\_  
Andrew H. Wilson

Laurie J. Bartilson  
BOWLES & MOXON

Attorneys for Plaintiff  
Church of Scientology  
International

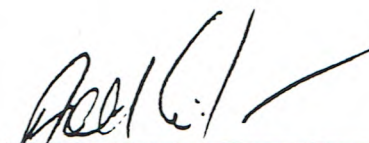


VERIFICATION

I, ANDREW H. WILSON, declare as follows:

I am one of the attorneys for the Plaintiff Church of Scientology International in the above-entitled matter. I have read the foregoing Verified Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe it to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed on February 4, 1992, at San Francisco, California.

---

ANDREW H. WILSON







June 21, 1991

Eric M. Lieberman, Esq.  
Rabinowitz, Boudin, et al.  
740 Broadway, Fifth floor  
New York, NY 10003

Via Federal Express

Dear Mr. Lieberman:

I received a call yesterday from Malcolm Rothling, the plaintiff in a defamation case against the organization in South Africa. He asked me to testify at the trial in early August.



(2)

After listening to his story and his understanding of organization philosophy and practises I agreed. I said, however, that I would first attempt to bring about a peaceful resolution of the Sciencelogy conflict. Hence I'm writing you.

You will receive a photocopy of this letter because the original of my significant holographs are the property of a third party corporation by



3.

contract. I will, nevertheless, sign the photocopy, not so much because you or the organization representatives might doubt that I am the writer, but to add fifteen dollars to the value of your archive.

And all of that is just another way of saying that serious matters are nothing to lose a sense of humor over.

I am certain that the Nothing matter



(4)

can be resolved easily with the following organizational actions:

1. A sincere public apology for its "declare" and other antisocial acts.

2. A sincere, public and complete repudiation of "fair game," philosophy of attack, vengeance and hatred, and elimination from Scientology literature of all policies advocating such philosophy.

3. Monetary settlement.

Mr. Nothling says he has no hope that the organization would do



(5.)

any of 1-3; and I recognize that it has exhibited no sign of rethinking its antisocial philosophy and practises. I also recognize that someday it will, and I do what I do because I believe it can be without, and not compelled by, a great human tragedy.

Thus far the organization has attempted to solve its problems with aggrieved individuals with mere monetary settlements and the occasional insin-



(6)

mere announcement; e.g.,

~~to~~ Hubbard's famous elimin-  
ation of the term "fair  
game," because it "causes  
bad PR," or the more recent  
blaming of the GO for all  
things bad and bastardly.

And so the organization  
has brought upon itself  
more problems and made  
more aggrieved individuals  
who seek sincerity but  
end up taking insincerity  
and money.

Because I will go  
wherever my help is  
~~asked~~ asked for I will  
continue until the



organization <sup>(2)</sup> sincerely den-  
ounces "fair" game" in  
all its forms, or kills  
me. It should be under-  
stood that I have many  
things to do in my work,  
far more important than  
the application of ethics  
to the organization of Sci-  
entology. I do this  
because it is asked of  
me by those aggrieved.  
When there are no longer  
any aggrieved asking for my  
help I will do something  
else. Clearly there are  
others aggrieved by other  
organizations or nations who



⑧  
can use my help. They  
simply have not asked  
for it. It may be  
that the Scientology issue  
must be resolved in my  
life before I am called  
to help the others. I  
am not, and I'm sure  
you're also not, unaware  
that the organization has  
used my willingness to  
respond to requests for  
my help to entrap me  
and attack me. The  
only observable effect of  
the organization's ops and  
web of deceit has been  
an increasing willingness



⑨  
to help those likewise  
aggrieved by them.

I truly believe that  
the organization's problems  
can be easily eliminated.  
It can only be done phil-  
osophically; and since  
its philosophy contains  
within it the philosophical  
idea that its philosophy  
cannot be changed, it  
continues to appear that  
nothing can be done.  
That fact does not make  
a philosophic shift  
difficult, it simply  
means that it's a



pretty silly <sup>(10.)</sup> philosophy.

Hubbard didn't have any original ideas just because there are ~~no~~ no original ideas. There are only two ideas and Hubbard chose the least effective and most boring of the two; the same idea which prevails in society. He wasn't worse than everyone else; he was the same. Scientology, by espousing the same idea as Hubbard and everyone else is ineffective and boring.

The real opposition is to Scientology's insistence



⑪  
that it is a religion. It  
isn't. It could be, but  
it isn't. And it isn't  
no matter what any gov-  
ernment says it is, or  
any court or any lawyer.

Almost the last people  
you'd want determining  
what is or is not a rel-  
igion are judges and  
lawyers, since their  
profession depends on conflict,  
which within a religion  
cannot exist.

Among all human  
activities there is only  
one which is religious —  
forgiveness. And that,



(12.)  
technically, and in every sense,  
is the recognition that  
what needs to be forgiven  
didn't happen. It is  
somewhat difficult, of  
course, for the organiz-  
ation, which uses people's  
posts against them, to  
understand this simple  
fact.

I am certain that  
Hubbard caught a glimmer  
of this understanding,  
but did not triumph  
over his fear so chose  
instead of forgiveness, con-  
demnation. There is  
nothing within that



(13)

choice which threatens reality, or for which Hubbard should be condemned. It is merely not religion.

All of the things the organization does can be done by non-religious organizations or individuals. But forgiveness can only be done by the religious. Scientology, by publishing and defending its policy of unforgiveness; i.e., "fair game," "attack the attacker," SP declares, sec checks, lower conditions, etc., etc., is not to be condemned;



(15)

it is to be forgiven; but  
it is not a religion.

A church's only function  
is forgiveness and sanctuary.  
Since Scientology collects the  
facts of its members' past,  
for control, or any purpose,  
it is not a church. The  
lawyers and courts may  
call it a church, but  
it is like any non-church  
organization; e.g., KGB,  
the republican party, etc.

A church to be a church  
cannot maintain a course  
of action. Others, carrying  
out their purpose, might



(15)

choose to defend it, but  
a church, to be a  
church, would not  
defend itself. Of course,  
an organization with a  
stated senior policy that  
the best defense is attack,  
cannot be a church.

The world would  
welcome Scientology's doing  
something effective, yet  
condemnation, attack and  
hatred are without effect,  
and so the world continues  
to wait. And the  
Scientologists continue the  
boredom of unforgiving



(16)

live, and the lawyers  
and the few in control  
get rich and stay bored.

And yes there are un-  
forgiving and bored on

both sides. But the

forgiving are on no side.

And I go where I'm asked  
to help. You haven't

asked but I hope this  
helps anyway.

Mr. Rothling will call  
me in about a week.

I'll be reachable until  
then at (604) 795-5852.



(17.)

I believe you understand  
whence I come, and I  
believe someone can do  
something.

Very truly yours,

H. C.

H. C.







JUN 04 1992

LOS ANGELES  
SUPERIOR COURT

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Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL

## SUPERIOR COURT OF THE STATE OF CALIFORNIA

## FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY	)	Case No. BC 052395
INTERNATIONAL, a California	)	
not-for-profit religious	)	FIRST
corporation;	)	AMENDED VERIFIED COMPLAINT
	)	FOR DAMAGES AND FOR
Plaintiff,	)	PRELIMINARY AND PERMANENT
	)	INJUNCTIVE RELIEF FOR
vs.	)	BREACH OF CONTRACT
	)	
	)	
GERALD ARMSTRONG;	)	
DOES 1-25 INCLUSIVE	)	
	)	
Defendants.	)	

Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
Bowles & Moxon, for its Amended Complaint, alleges:

NATURE OF THE ACTION

1. In violation of the express terms and spirit of a  
settlement agreement ("the Agreement") entered into in December,  
1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
deliberate campaign designed to aid plaintiff's litigation  
adversaries, breach the confidentiality provisions of the  
Agreement, and foment litigation, hatred and ill-will toward  
plaintiff.



2. Five years ago, plaintiff Church of Scientology International ("CSI") entered into the Agreement with Armstrong, on its own behalf and for the benefit of numerous third-party beneficiaries. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Armstrong, a former Church member who sought, by both litigation and covert means, to disrupt the activities of his former faith, displayed through the years an intense and abiding hatred for the Church, and an eagerness to annoy and harass his former co-religionists by spreading enmity and hatred among members and former members. Plaintiff sought, with the Agreement, to end all of Armstrong's covert activities against it, along with the litigation itself. For that reason, the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against plaintiff by third parties. These provisions were bargained for by plaintiff to put an end to the enmity and strife generated by Mr. Armstrong once and for all.

3. This action arises out of deliberate and repeated breaches by Armstrong of these and other express provisions of the Agreement. Although plaintiff fully performed all of its obligations under the Agreement, Armstrong never intended to keep his part of the bargain and maintains that he considered the referenced provisions to be unenforceable ab initio. As soon as he finished spending the money he extracted from plaintiff as the



1 price of his signature, in June 1991, Armstrong began a  
2 systematic campaign to foment litigation against plaintiff by  
3 providing confidential information, copies of the Agreement,  
4 declarations, and "paralegal" assistance to litigants actively  
5 engaged in litigation against his former adversaries. Although  
6 plaintiff has repeatedly demanded that Armstrong end his constant  
7 and repeated breach of the provisions of the Agreement, Armstrong  
8 appears to delight in renewing his annoying and harassing  
9 activities, admitting to them in sworn declarations, and refusing  
10 to end his improper liaisons.

11 4. With this Complaint, plaintiff seeks the Court's aid in  
12 obtaining the peace for which it bargained more than five years  
13 ago. Plaintiff requests liquidated damages pursuant to the terms  
14 of the Agreement, as well as injunctive relief to prevent  
15 additional and future breaches of the Agreement by Armstrong.

#### 16 THE PARTIES

17 5. Plaintiff Church of Scientology International is a non-  
18 profit religious corporation incorporated under the laws of the  
19 State of California, having its principal offices in Los Angeles,  
20 California. Plaintiff CSI is the Mother Church of the  
21 Scientology religion.

22 6. Defendant Gerald Armstrong is a resident of Marin  
23 County, California.

24 7. Plaintiff is ignorant of the names and capacities of  
25 the defendants identified as DOES 1 through 25, inclusive, and  
26 thus brings suit against those defendants by their true names  
27 upon the ascertainment of their true names and capacities, and  
28 their responsibility for the conduct alleged herein.



THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by reference.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the Churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. Contemporaneously with the signing of the Agreement, Armstrong represented that he understood the Agreement's provisions and was acting of his own free will and not under duress. In later 1991, Armstrong revealed for the first time that he believed at the time the Agreement was signed that the provisions contained in Paragraphs 7(D), 7(H), 7(G), 10, 12 and 18 were unenforceable.

12. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the Church



1 who would be willing to assist him in overthrowing Church  
2 leadership. The Church obtained information about Armstrong's  
3 plans and, through a police-sanctioned investigation, provided  
4 Armstrong with the "defectors" he sought. On four separate  
5 occasions in November, 1984, Armstrong met with two individuals  
6 that he considered to be defectors, whom he knew as "Joey" and  
7 "Mike." In reality, both "Joey" and "Mike" were loyal Church  
8 members who, with permission from the Los Angeles police, agreed  
9 to have their conversations with Armstrong surreptitiously  
10 videotaped. During the course of these conversations, Armstrong:

- 11 a. Demanded that "Joey" provide him with copies of  
12 documents published by the Churches so that he  
13 could forge documents in the same style.  
14 Armstrong wanted "Joey" to then plant these  
15 Armstrong creations in the Church's files so that  
16 Armstrong could tip off the Internal Revenue  
17 Service Criminal Investigations Division ("CID"),  
18 and the incriminating documents would be found in  
19 a resulting raid;
- 20 b. Sought to "set up" the defection of a senior  
21 Scientologist by finding a woman to seduce him;
- 22 c. Told "Joey" all about his conversations with Al  
23 Lipkin, an investigator for the L.A. CID, and  
24 attempted to get "Joey" to call Lipkin and give  
25 him false information that would implicate the  
26 Church's leaders in the misuse of donations; and
- 27 d. Instructed "Mike" on the methods of creating a  
28 lawsuit against the Church leadership based on



1 nothing at all:

2 ARMSTRONG: They can allege it. They can  
3 allege it. They don't even have -- they can  
4 allege it.

5 RINDER: So they don't even have to have the  
6 document sitting in front of them and then --

7 ARMSTRONG: F\_\_ing say the organization  
8 destroys the documents.

9 \* \* \*

10 Where are the -- we don't have to prove a  
11 goddamn thing. We don't have to prove s\_\_t;  
12 we just have to allege it.

13 Given Armstrong's propensity to create trouble for the  
14 Churches regardless of truth, the Churches naturally considered  
15 such provisions to be an integral and necessary part of any  
16 settlement.

17 13. The Agreement also provided that plaintiff CSI would  
18 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
19 intended to settle not just Armstrong's case, but the cases of  
20 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
21 to Armstrong a portion of that settlement amount. The exact  
22 amount of the portion to be paid to Armstrong by Mr. Flynn was  
23 maintained as confidential between Mr. Flynn and Armstrong.

24 14. CSI paid to Mr. Flynn the lump sum settlement amount.

25 15. Mr. Flynn paid to Armstrong his confidential portion of  
26 the lump sum settlement amount.

27 16. The consideration paid to Armstrong was fair,  
28 reasonable and adequate. Plaintiff CSI has performed all of its  
obligations pursuant to the Agreement.

///

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FIRST CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

17. Plaintiff realleges paragraphs 1 - 16, inclusive, and incorporates them herein by reference.

18. Vicki and Richard Aznaran ("the Aznarans") are former Scientology parishioners currently engaged in litigation against, inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, Case No. CV 88-1786 JMI (Ex).

19. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.

20. While acting as the Aznarans' counsel, Yanny hired Gerald Armstrong as a paralegal to help Yanny on the Aznaran case.

21. In July, 1991, Armstrong agreed to travel from Marin County to Los Angeles and asked Yanny to pay him \$500 for his proposed help.

22. In July, 1991, Armstrong did travel to Los Angeles as he had agreed, stayed with Yanny on July 15 and July 16, 1991, and provided Yanny with paralegal assistance and a declaration for the Aznaran case.

23. Yanny is former counsel to CSI, and his substitution into the case was vacated by the Court sua sponte on July 24, 1991, the Court noting that Yanny's retention as the Aznarans' counsel was "highly prejudicial" to CSI.

24. Armstrong's acceptance of employment by Yanny to work



1 on the Aznarans' litigation is a direct violation of Paragraphs  
2 7(G) and 10 of the Agreement.

3 25. As a direct and proximate result of Armstrong's breach  
4 of the agreement by providing paralegal assistance to Yanny in  
5 the Aznarans' litigation, plaintiff has incurred damages which  
6 are not presently calculable. In no event, however, are they  
7 less than the jurisdictional minimum of this Court. Consequently,  
8 for this breach plaintiff seeks compensatory and consequential  
9 damages according to proof.

10 **SECOND CAUSE OF ACTION**

11 (Against Armstrong for Breach of Contract)

12 26. Plaintiff realleges paragraphs 1-16, 18-25, inclusive,  
13 and incorporates them herein by reference.

14 27. After Yanny entered his appearance in the Aznarans'  
15 case and indicated to CSI's counsel that he represented Gerald  
16 Armstrong as well, CSI brought suit against Yanny in the case of  
17 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,  
18 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In  
19 that action, plaintiff sought and obtained a Temporary  
20 Restraining Order and a Preliminary Injunction against Yanny,  
21 which prohibit Yanny from aiding, advising, or representing,  
22 directly or indirectly, the Aznarans or Armstrong, on any matters  
23 relating to the plaintiff.

24 28. At the hearings before the Court on the temporary  
25 restraining order and the injunction, Yanny filed two  
26 declarations prepared and executed by Armstrong on July 16, 1991.  
27 The declarations were offered by Yanny as part of Yanny's  
28 defense, which was ultimately rejected by the Court when it



1 issued its injunction.

2 29. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
3 direct violation of Paragraphs 7(G) and 10 of the Agreement.

4 30. Armstrong attached as an exhibit to one of his July 16,  
5 1991 declarations a copy of the Agreement, the terms of which he  
6 had agreed, pursuant to paragraph 18(D), to keep confidential.  
7 This disclosure of the terms of the Agreement is a violation of  
8 its non-disclosure provisions, requiring that Armstrong pay to  
9 CSI \$50,000 in liquidated damages.

10 31. Despite demand by plaintiff, Armstrong has failed and  
11 refused to pay them the \$50,000 owed in liquidated damages for  
12 this breach of the Agreement.

13 **THIRD CAUSE OF ACTION**

14 (Against All Defendants for Breach of Contract)

15 32. Plaintiff realleges paragraphs 1-16, 18-25, 27-31,  
16 inclusive, and incorporates them herein by reference.

17 33. After Yanny's substitution into the Aznarans' case was  
18 summarily vacated, Ford Greene was reinstated as the Aznarans'  
19 counsel of record. Ford Greene's law offices are located in San  
20 Anselmo, California.

21 34. On or about August, 1991, Armstrong began working in  
22 Ford Greene's office as a paralegal on the Aznarans' case. When,  
23 thereafter, the Aznarans hired attorney John Elstead to represent  
24 them as well, Armstrong provided paralegal services to Elstead as  
25 well as Greene. Armstrong's employment in Greene's office has  
26 continued to the present. Armstrong's activities constitute a  
27 daily and continuing breach of his contract, rendering  
28 plaintiff's bargain a nullity.



1        35. Plaintiff CSI has already incurred, and continues to  
2 incur, damages as a direct and proximate result of Armstrong's  
3 provision of aid to Greene in the Aznarans' case. Those damages  
4 are not presently calculable and will cease only when Armstrong  
5 is ordered to stop his improper conduct. In no event, however,  
6 are they less than the jurisdictional minimum of this Court.  
7 Consequently, for this breach plaintiff seeks compensatory and  
8 consequential damages according to proof.

9                                    **FOURTH CAUSE OF ACTION**

10                    (Against All Defendants for Breach of Contract)

11        36. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
12 35, inclusive, and incorporates them herein by reference.

13        37. In addition to the paralegal services which Armstrong  
14 has provided to Ford Greene and John Elstead on the Aznarans'  
15 litigation, Armstrong also provided the Aznarans with a  
16 declaration, dated August 26, 1991, and filed in the Aznarans'  
17 case. In that declaration, Armstrong describes some of his  
18 alleged experiences with and concerning plaintiff, and purports  
19 to authenticate copies of certain documents. These actions and  
20 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
21 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
22 liquidated damages.

23        38. Despite demand by plaintiff, Armstrong has failed and  
24 refused to comply with the liquidated damages provision by paying  
25 \$50,000 to plaintiff as demanded for this breach of the  
26 Agreement.

27        ///

28        ///



FIFTH CAUSE OF ACTION

(For Breach of Contract Against Armstrong)

39. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, and 37-38, inclusive, and incorporates them hereby reference.

40. On or about March 19, 1992, Armstrong, acting through Ford Greene as his agent, transmitted a press release to various members of the media, including the Cable News Network, San Francisco Chronicle, San Francisco Examiner, and the Marin County Independent Journal. A true and correct copy of the press release is attached hereto as Exhibit B. Said press release violated the Agreement in that it constituted disclosures by Armstrong, through Ford Greene as his agent, of his experiences with Scientology as prohibited by paragraph 2. The following are the excerpts from the press release which violate paragraph 2:

- a) "Can the Scientology organization purchase the free speech rights of Gerald Armstrong-the former in-house biographer researcher/archivist of cult leader, L. Ron Hubbard..."
- b) "A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large."
- c) "For years Scientology has treated Armstrong as a 'suppressive person' who was 'fair game.'"
- d) "Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth."
- e) "(Scientology is) fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it."

41. In addition, the press release devotes an entire paragraph to a description of the lawsuit resulting from the Settlement Agreement and to a description of the Settlement Agreement itself:



1 "After Armstrong beat Scientology's lawsuit  
2 against him in 1984, he was poised to  
3 prosecute his own claims. For millions of  
4 dollars, however, in 1986 Scientology settled  
5 with he and over 17 other Scientology  
6 knowledgeable individuals on the condition  
7 that those persons would forever keep silent,  
8 avoid giving sworn testimony by evading  
9 subpoenas, and never aid or assist anyone  
10 adverse to Scientology."

11 The distribution of the press release violated the provisions of  
12 paragraphs 7(D) and 18 of the Agreement.

13 42. By reason of the foregoing breach by Armstrong,  
14 plaintiff is entitled to \$50,000 in liquidated damages and  
15 compensatory damages not presently known but believed to be in  
16 excess of the jurisdictional minimum of this Court.

17 **SIXTH CAUSE OF ACTION**

18 (For Breach of Contract by Armstrong)

19 43. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
20 35, 37-38, and 40-42, inclusive, and incorporates them hereby by  
21 reference.

22 44. On or about March 19 and 20, 1992, Armstrong and  
23 Greene, acting as Armstrong's agent, granted the media additional  
24 interviews, which also violated paragraph 2 of the Agreement.  
25 During the course of his interview with the Cable News Network,  
26 for example, Armstrong stated, "I'm an expert in the  
27 misrepresentations Hubbard has made about himself from the  
28 beginning of Dianetics until the day he died." Attached hereto  
and incorporated herein by reference as Exhibit C is a true and  
correct transcription of the CNN broadcast which featured this  
statement made voluntarily by Armstrong in a media interview.

45. By reason of the foregoing breach of the Agreement,  
plaintiff is entitled to \$50,000 in liquidated damages.



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1 knowledge and information which he claimed to have concerning  
2 plaintiff and other Scientology affiliated entities and  
3 individuals.

4 50. During his deposition on March 3, 1992, Armstrong  
5 produced documents which he claimed to have reviewed in  
6 preparation for his testimony, including documents referred to in  
7 paragraph 46, supra, in violation of paragraph 7(D) of the  
8 Agreement.

9 51. On or about March 12, 1992, Armstrong again appeared  
10 for deposition in the Hunziker case. This time, Armstrong  
11 claimed that he had been given a deposition subpoena not by the  
12 deposing attorney, but by attorney Elstead, and that Elstead had  
13 "filled out" the subpoena earlier that morning. Armstrong  
14 refused to produce a copy of the alleged subpoena, which had not  
15 been served on any of the parties to the case. In fact,  
16 Armstrong himself requested that Elstead issue him a subpoena on  
17 Sunday, March 8, 1992, after a temporary restraining order was  
18 issued in this case. On March 8, 1992, Armstrong delivered  
19 additional documents to Elstead, again in violation of paragraph  
20 7(D) of the Agreement.

21 52. Plaintiff learned in April, 1992, through review of the  
22 aforesaid deposition transcript, that since the signing of the  
23 Agreement, Armstrong had "taken it upon [him]self" to reacquire  
24 documents which he had previously returned to plaintiff "from  
25 whatever source." He produced many of those documents  
26 voluntarily, first to Elstead on March 8, 1992, and then to  
27 opposing counsel during the March 12, 1992 deposition.

28 53. These actions and disclosures are violations of



1 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring  
2 that Armstrong pay to CSI \$250,000 in liquidated damages.

3 **EIGHTH CAUSE OF ACTION**

4 (Against Armstrong for Breach of Contract)

5 54. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
6 35, 37-38, 40-42, 44-45, 47-52, inclusive, and incorporates them  
7 herein by reference.

8 55. On or about April 7, 1992, while testifying in the  
9 matter known as Church of Scientology v. Yanny, (No. BC 033035),  
10 Armstrong made the Settlement Agreement sued upon herein an  
11 exhibit to the deposition transcript. Said action was a breach  
12 of paragraph 18(D) of the Agreement which prohibits disclosure of  
13 the contents of the Agreement.

14 56. By reason of the foregoing breach of the Agreement,  
15 Plaintiff is entitled to \$50,000 in liquidated damages, together  
16 with compensatory damages in an amount not presently known to  
17 plaintiff but believed to be in excess of the jurisdictional  
18 minimum of this court.

19 **NINTH CAUSE OF ACTION**

20 (Against Armstrong for Beach of Contract)

21 57. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
22 35, 37-38, 40-42, 44-45, 47-52, and 55, inclusive, and  
23 incorporates them herein by reference.

24 58. In breach of the provision of paragraph 7(E) of the  
25 Agreement, Armstrong failed to return a letter written by L. Ron  
26 Hubbard to the Federal Bureau of Investigation in 1955 and an  
27 internal communication known as "Technical Bulletin."

28 59. In breach of the provisions of paragraph 7(H) of the



1 Agreement, Armstrong gave a declaration in the Aznaran litigation  
2 on August 26, 1991 in opposition to a motion to exclude expert  
3 testimony.

4 60. Said declaration attached as exhibits the two documents  
5 referred to in paragraph 58 above, in breach of the provisions of  
6 Paragraph 7(D) of the Agreement.

7 61. By reason of the breaches by Armstrong in paragraphs  
8 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an  
9 amount not presently known but believed to be in excess of the  
10 jurisdictional minimum of this Court.

11 62. By reason of the breach by Armstrong of paragraph 7(D)  
12 of the Agreement, plaintiff is entitled to liquidated damages in  
13 the amount of \$50,000.

14 **TENTH CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 63. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
17 35, 37-38, 40-42, 44-45, 47-52, 54-55 and 58-60, inclusive, and  
18 incorporates them herein by reference.

19 64. Plaintiff learned in March, 1992, that during 1990 and  
20 1991, Armstrong voluntarily provided aid and advice to Bent  
21 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of  
22 litigation against plaintiff and affiliated entities in the case  
23 of Bent Corydon v. Church of Scientology International, et al.,  
24 Los Angeles Superior Court Case No. C 694401.

25 65. Armstrong's voluntary provision of aid to Plevin to  
26 work on Corydon's litigation is a direct violation of paragraphs  
27 7(G) and 10 of the Agreement.

28 66. As a direct and proximate result of Armstrong's breach



1 of the Agreement by providing voluntary assistance to Plevin in  
2 Corydon's litigation, plaintiff has incurred damages which are  
3 not presently calculable. In no event, however, are they less  
4 than the jurisdictional minimum of this Court. Consequently, for  
5 this breach plaintiff seeks compensatory and consequential  
6 damages according to proof.

7 **ELEVENTH CAUSE OF ACTION**

8 (Against Armstrong for Breach of Contract)

9 67. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
10 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 inclusive,  
11 and incorporates them herein by reference.

12 68. On May 27, 1992, after plaintiff's motion for  
13 preliminary injunction in this matter had been argued, and while  
14 a determination of that motion was still pending, Armstrong  
15 voluntarily provided a declaration to Gary M. Bright and Jerold  
16 Fagelbaum, attorneys for defendants David Mayo, Church of the New  
17 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede  
18 Reisdorf in the consolidated cases of Religious Technology  
19 Center, et al. v. Robin Scott, et al., and Religious Technology  
20 Center, et al. v. Wollersheim, et al., United States District  
21 Court for the Central District of California, Case Nos. CV 85-711  
22 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The  
23 plaintiffs in the Scott case are plaintiff, Church of Scientology  
24 International, Church of Scientology of California, and Religious  
25 Technology Center, all entities specifically protected by the  
26 Agreement.

27 69. In his May 27, 1992 declaration, Armstrong purports to  
28 authenticate an earlier declaration which describes some of his



1 alleged experiences with and concerning plaintiff, as well as a  
2 portion of a transcript which was ordered sealed in the earlier  
3 action between plaintiff and defendant. These actions and  
4 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
5 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
6 liquidated damages.

7 70. As a direct and proximate result of Armstrong's breach  
8 of the Agreement by providing voluntary assistance to Bright and  
9 Fagelbaum in the Scott case, plaintiff has incurred additional  
10 damages which are not presently calculable. In no event,  
11 however, are they less than the jurisdictional minimum of this  
12 Court. Consequently, for this breach plaintiff also seeks  
13 compensatory and consequential damages according to proof.

#### 14 TWELFTH CAUSE OF ACTION

15 (Against All Defendants for Injunctive Relief)

16 71. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
17 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 and 68-69  
18 inclusive, and incorporates them herein by reference.

19 72. As a direct and proximate result of Armstrong's breach  
20 of the Agreement by providing assistance to Greene and Elstead in  
21 the Aznarans' litigation, which breach is, on information and  
22 belief, persistent and continuing, CSI is and will continue to be  
23 irreparably harmed, and unless Armstrong and those acting in  
24 concert with him are temporarily, preliminarily and permanently  
25 enjoined from continuing that unlawful conduct, further  
26 irreparable harm will be caused to CSI.

27 73. Further, as a direct and proximate result of  
28 Armstrong's breach of the Agreement by providing assistance to



1 Yanny in Yanny's litigation, which breach is, on information and  
2 belief, persistent and continuing, CSI is and will continue to be  
3 irreparably harmed, and unless Armstrong and those acting in  
4 concert with him are temporarily, preliminarily and permanently  
5 enjoined from continuing that unlawful conduct, further  
6 irreparable harm will be caused to CSI.

7 74. Further, as a direct and proximate result of  
8 Armstrong's breach of the Agreement by providing assistance to  
9 Elstead and Rummond in the Hunziker litigation, which breach is,  
10 on information and belief, persistent and continuing, CSI is and  
11 will continue to be irreparably harmed, and unless Armstrong and  
12 those acting in concert with him are temporarily, preliminarily  
13 and permanently enjoined from continuing that unlawful conduct,  
14 further irreparable harm will be caused to CSI.

15 75. Further, as a direct and proximate result of  
16 Armstrong's breach of the Agreement by providing assistance to  
17 Fagelbaum and Bright in the Scott litigation, which breach is, on  
18 information and belief, persistent and continuing, CSI is and  
19 will continue to be irreparably harmed, and unless Armstrong and  
20 those acting in concert with him are temporarily, preliminarily  
21 and permanently enjoined from continuing that unlawful conduct,  
22 further irreparable harm will be caused to CSI.

23 WHEREFORE, plaintiff prays for judgment as follows:

24 ON THE FIRST CAUSE OF ACTION

25 1. For compensatory and consequential damages according to  
26 proof.

27 2. For attorneys' fees and costs of suit.

28 ///



1                                    ON THE SECOND CAUSE OF ACTION

- 2            1. For liquidated damages in the amount of \$50,000.  
3            2. For attorneys' fees and costs of suit.

4                                    ON THE THIRD CAUSE OF ACTION

- 5            1. For compensatory and consequential damages according to  
6 proof.  
7            2. For attorneys' fees and costs of suit.

8                                    ON THE FOURTH CAUSE OF ACTION

- 9            1. For liquidated damages in the amount of \$50,000.  
10           2. For attorneys' fees and costs of suit.

11                                  ON THE FIFTH CAUSE OF ACTION

- 12           1. For liquidated damages in the amount of \$50,000.  
13           2. For compensatory and consequential damages according to  
14 proof.  
15           3. For attorneys' fees and costs of suit.

16                                  ON THE SIXTH CAUSE OF ACTION

- 17           1. For liquidated damages in the amount of \$50,000.  
18           2. For attorney's fees and costs of suit.

19                                  ON THE SEVENTH CAUSE OF ACTION

- 20           1. For liquidated damages in the amount of \$250,000.  
21           2. For attorneys' fees and costs of suit.

22                                  ON THE EIGHTH CAUSE OF ACTION

- 23           1. For liquidated damages in the amount of \$50,000.  
24           2. For attorneys' fees and costs of suit.

25                                  ON THE NINTH CAUSE OF ACTION

- 26           1. For compensatory and consequential damages according to  
27 proof.  
28           2. For liquidated damages in the sum of \$50,000.



3. For attorney's fees and costs of suit.

ON THE TENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE ELEVENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For liquidated damages in the sum of \$50,000.

3. For attorney's fees and costs of suit.

ON THE TWELFTH CAUSE OF ACTION

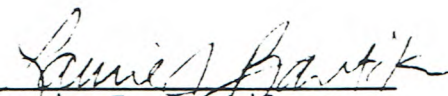
1. For a preliminary and permanent injunction prohibiting and restraining all defendants, including Armstrong, from violating any of the provisions of the Agreement, including the provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: June 4, 1992

BOWLES & MOXON

By:   
Laurie J. Bartilson

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL







## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
 Honorable Ronald M. Schigian, Judge  
 1

M. Cervantes, Deputy Clerk  
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge  
1aM. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
 Honorable Ronald M. Sohigian, Judge  
 1b

M. Cervantes, Deputy Clerk  
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

VS.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1c

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN  
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.







IN AND FOR THE SUPERIOR COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California  
not-for-profit religious  
corporation,

Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1  
through 25, inclusive,

Defendants.

DEPOSITION OF

GERALD ARMSTRONG

-----  
Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

CERTIFIED  
COPY



1 to you was done to you through what you call front  
2 groups; is that right?

3 A. If by that you mean that you are a front  
4 group, then that's correct.

5 Q. Well --

6 A. If you and CSI, and CSC, and RTC, and ASI,  
7 and David Miscavige, and Norman Starkey, and L. Ron  
8 Hubbard are all front groups, then I would say, yes,  
9 you're correct.

10 Q. So you think I'm a front group; right?

11 A. If it fits your definition, it was you who  
12 created the sentence and used that phrase.

13 Q. Well, let me ask you this. Do you think  
14 that anything that's come out of this office was done to  
15 drive you insane?

16 A. Yes.

17 Q. And specifically what?

18 A. The complaint itself, the use of the  
19 videotape incident.

20 Q. You mean, the Griffith Park, the so-called  
21 Griffith Park video?

22 A. Right.

23 Q. What else?

24 A. Maybe some more will come to mind.

25 Q. Okay.



1           A.       But some of your language, your attack on  
2 me personally, your use of the, your particular phrases  
3 fomenting litigation, hate mongering, that sort of  
4 thing, that's so far off the wall and so distant from  
5 what I am and what I do that the only intent that I can  
6 get there from is your personal involvement in this  
7 organization's intention, drive and campaign to drive me  
8 insane.

9           Q.       And do you think that campaign has been  
10 successful?

11          A.       I think that --

12               MR. GREENE:   Objection, no foundation.

13               MR. WILSON:   What do you mean no  
14 foundation?   He said he thinks the organization has been  
15 trying to drive him insane and I want to know if the  
16 organization has driven him insane.

17               MR. GREENE:   Same objection.

18               MR. WILSON:   Q.   Do you think you're  
19 insane, Mr. Armstrong?

20               MR. GREENE:   Same objection.

21               MR. WILSON:   Q.   You can answer the  
22 question.

23          A.       I think that the organization's campaign  
24 will never be successful as the organization will never  
25 be successful; however, that there may be some bodies



1 along the way and that there may be some damage along  
2 the way and that there maybe some insanity along the  
3 way, I concur with that.

4 Q. Do you think that you're insane?

5 MR. GREENE: Same objection.

6 THE WITNESS: In the sense that you are,  
7 yes.

8 MR. WILSON: Q. Well, in what sense am I  
9 insane?

10 A. In the sense --

11 MR. GREENE: Same objection.

12 THE WITNESS: -- in the sense that I am.

13 MR. GREENE: Let me interject, I'd just  
14 like to have a running objection.

15 MR. WILSON: Fine.

16 MR. GREENE: No foundation, calls for  
17 expert opinion testimony. Go ahead and ask him  
18 questions.

19 MR. WILSON: The witness is qualified to  
20 testify to his own state of mind.

21 Q. Let me ask you this, Mr. Armstrong, as we  
22 sit here today, do you have any problem distinguishing  
23 what is reality from what is not reality?

24 A. All of us do.

25 Q. Do you have any problem doing that?



1 since, since '89.

2 Q. Okay.

3 A. When, I mean, I have, I have absolutely no  
4 intention of honoring that settlement agreement. I  
5 cannot. I cannot logically. I cannot ethically. I  
6 cannot morally. I cannot psychically. I cannot  
7 philosophically. I cannot spiritually. I cannot in any  
8 way. And it is firmly my intention to not honor it.

9 Q. No matter what a court says?

10 A. No court could order it. They're going to  
11 have to kill me.

12 Q. Well, let's just hope we don't have to turn  
13 this into a death penalty case.

14 A. Into a what?

15 Q. A death penalty case.

16 A. Right, but you guys would.

17 Q. I'm not the one who stands up and pounds  
18 the table and screams at people in this deposition, your  
19 lawyer is. If I were to stand up at this deposition and  
20 scream at you to shut up, would you consider that to be  
21 an act of fair game?

22 A. I consider the whole thing --

23 Q. I know, but if I were to stand up and yell  
24 at to you shut up, would you consider that to be fair  
25 game?







1 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 IN AND FOR THE COUNTY OF MARIN

3 --oOo--

4 **CERTIFIED**  
5 **COPY**

5 CHURCH OF SCIENTOLOGY  
6 INTERNATIONAL, a California  
7 not-for-profit religious  
8 corporation,

9 Plaintiff,

10 vs.

No. BC 052395

11 Gerald Armstrong; Does 1-25,  
12 inclusive,

13 Defendants.  
14 \_\_\_\_\_/

15 DEPOSITION OF

16 GERALD ARMSTRONG

17 \_\_\_\_\_  
18 Thursday, October 8, 1992

19 VOLUME IV  
20  
21  
22  
23  
24

25 REPORTED BY: BARBARA H. STOCKFORD, CSR No. 4575



1 verbally, to the Aznarans concerning their case, have you  
2 had any other communications with the Aznarans concerning  
3 their case?

4 MR. GREENE: That misstates his prior  
5 testimony.

6 Don't answer that question.

7 MS. BARTILSON: Hard to answer if I can't  
8 finish it. Why don't you let me finish the question and  
9 raise the objection so we have a complete record?

10 MR. GREENE: I thought you said "did you  
11 have any communications on any other cases." I thought  
12 you were finished. Sounded like the end of a question to  
13 me.

14 MS. BARTILSON: No.

15 Can you read back what I had so far?

16 (Record read.)

17 MS. BARTILSON: By George. I take it back.  
18 I finished the thought. I didn't even know it.

19 So he's not going to answer?

20 MR. GREENE: That is correct.

21 MS. BARTILSON: Okay.

22 Q. Mr. Armstrong, do you know Tilly Good?

23 A. Yes. In the sense -- when you say "know," I  
24 know of her existence, yes.

25 Q. Have you ever spoken with Ms. Good?



1 A. Yes.

2 Q. On how many occasions?

3 A. Perhaps four.

4 Q. Have you ever met Ms. Good?

5 A. No.

6 Q. Have you ever worked on a her case file?

7 MR. GREENE: Objection. Attorney-client  
8 work product privilege.

9 All of the prior objections which would be  
10 work product, privacy, interference with right to counsel  
11 and attorney-client.

12 MS. BARTILSON: These are asserted on  
13 behalf of Ms. Good?

14 MR. GREENE: That's correct.

15 Well, no. Attorney-client and work product  
16 are asserted on behalf of Ms. Good. And privacy is  
17 asserted on behalf of my office generally. And Sixth  
18 Amendment is asserted on behalf of Ms. Good.

19 MS. BARTILSON: Q. When is the first  
20 time you remember speaking with Ms. Good, Mr. Armstrong?

21 A. Some months ago.

22 Q. In 1992?

23 A. I believe so.

24 Q. Was it before April 1992?

25 A. I don't recall.



1 Q. When is the last time you recall speaking  
2 with Ms. Good?

3 A. Perhaps a month ago.

4 Q. Have you provided Mr. Greene with any  
5 assistance in working on Ms. Good's case?

6 A. I'm going to instruct you not to answer that  
7 based on ambiguity and vagueness.

8 MS. BARTILSON: Ambiguity and vagueness?

9 MR. GREENE: Right.

10 MS. BARTILSON: Q. Is Mr. Greene Ms.  
11 Good's attorney?

12 A. Yes.

13 Q. Does Ms. Good have a dispute with one or  
14 more Churches of Scientology?

15 MR. GREENE: And with respect to that, Mr.  
16 Armstrong, I will instruct you not to answer the question  
17 based on attorney-work product privilege.

18 MS. BARTILSON: Q. Mr. Armstrong, do you  
19 have personal knowledge whether or not Ms. Good has a  
20 dispute with any Church of Scientology?

21 MR. GREENE: Again, same instructions to  
22 Mr. Armstrong.

23 Don't answer the question.

24 MS. BARTILSON: Q. Or if she had one?

25 MR. GREENE: Same instruction.



1 MS. BARTILSON: I find this a little  
2 curious, Mr. Greene, since you have been bombarding my  
3 office with letters concerning Ms. Good's dispute. I can  
4 hardly see how you claim that's privileged information.

5 Q. Mr. Armstrong, do you know Denise Cantin?

6 A. Yes.

7 Q. Had you ever met Ms. Cantin -- Dr. Cantin?

8 A. Yes.

9 Q. Where did you meet her?

10 A. At the Hub law office.

11 Q. On how many occasions have you met Dr.  
12 Cantin?

13 A. One.

14 Q. When was that?

15 A. I would say approximately --

16 MR. GREENE: Wait, wait, wait.

17 Actually, Mr. Armstrong, I'm going to  
18 instruct you not to answer that question, and I'm going  
19 to -- that instruction is based on the attorney-client  
20 privilege between myself and Dr. Cantin, as well as work  
21 product privilege, because I do not want Scientology  
22 knowing anything about the frequency or anything else  
23 that I meet with my clients.

24 So don't answer the question.

25 And I also would add two other objections,



1 which is the right to privacy and the interference with  
2 the right to counsel.

3 MS. BARTILSON: Don't hire Jerry Armstrong  
4 to be your paralegal when he's not supposed to do what  
5 he's doing. Real simple solution.

6 Not only that, he already testified she was  
7 at your office once, so you can at least let him tell me  
8 when he's not giving up anything.

9 Q. Have you spoken with Dr. Cantin on the  
10 telephone?

11 A. Yes.

12 Q. Have you discussed with Dr. Cantin her  
13 dispute with any Churches of Scientology?

14 MR. GREENE: And there, the same objections  
15 apply. The same instruction.

16 MS. BARTILSON: Even though I'm not asking  
17 for substance?

18 MR. GREENE: That's correct.

19 MS. BARTILSON: Okay.

20 Q. Do you know Ed Roberts?

21 A. Yes.

22 Q. Have you met Mr. Roberts?

23 A. Yes.

24 Q. Where did you meet Mr. Roberts?

25 A. In Boulder Creek.



1 Q. When was that?

2 MR. GREENE: And with respect to that, Mr.  
3 Armstrong, I'll give you the same instruction. And  
4 the -- for the same reasons as applied to Roberts.

5 MS. BARTILSON: Q. When you met Mr.  
6 Roberts in Boulder Creek, was it in connection with your  
7 employment as a paralegal for Mr. Greene's office?

8 A. Yes.

9 Q. Did you interview Mr. Roberts?

10 A. Yes.

11 Q. Did you take notes of your interview with  
12 Mr. Roberts?

13 A. No.

14 Q. At the time you interviewed Mr. Roberts, had  
15 he engaged Mr. Greene to represent him?

16 A. Yes.

17 Q. Was Mr. Greene engaged to represent him in  
18 his disputes with the Church of Scientology or related  
19 entities?

20 A. Yes.

21 Q. And did you interview him concerning that  
22 dispute?

23 A. Yes.

24 Q. I'll ask you again when that was.

25 MR. GREENE: You can answer.



1 THE WITNESS: In approximately November  
2 1991.

3 MS. BARTILSON: Q. Have you spoken with  
4 Mr. Roberts since the time you interviewed him in  
5 November of 1991?

6 A. Yes.

7 Q. How many times?

8 A. Perhaps seven.

9 Q. Have you discussed with him on any of those  
10 seven occasions his dispute with one or more Churches of  
11 Scientology?

12 MR. GREENE: I'm going to draw the line  
13 there and instruct you not to answer for the same reasons  
14 previously stated.

15 MS. BARTILSON: Q. When was the last  
16 time you spoke with Mr. Roberts?

17 A. Perhaps two months ago.

18 Q. Since November of 1991, have you helped Mr.  
19 Greene prepare any documents in connection with the  
20 Roberts case?

21 MR. GREENE: As to that, I will draw the  
22 line and instruct you not to answer the question based on  
23 the reasons previously stated.

24 MS. BARTILSON: Q. Since November of  
25 1991, have you had any discussions with Mr. Greene



1 concerning the substance of Mr. Roberts' claims against  
2 any of the Churches of Scientology or related entities?

3 MR. GREENE: Same instruction; same  
4 reasons.

5 MS. BARTILSON: Q. Since November of  
6 1991, have you had any discussions with Mr. Roberts or  
7 have you been present in any discussions between Mr.  
8 Roberts and others concerning his claims against Church  
9 of Scientology or any related entities?

10 MR. GREENE: Same instruction; same  
11 reasons.

12 MS. BARTILSON: Q. I'd like to ask those  
13 same questions concerning both Ms. Good and Dr. Cantin,  
14 and I assume they will be the same.

15 MR. GREENE: I will stipulate as to the  
16 same questions with the same two positions in response as  
17 to Tilly H. Good and Denise Cantin.

18 MS. BARTILSON: Good enough.  
19 Q. Now, at some point after the settlement  
20 agreement was signed in December of '86, you received a  
21 payment from Michael Glynn of the money that you were due  
22 pursuant to the settlement agreement; is that correct?

23 MR. GREENE: That's been asked and  
24 answered.

25 MS. BARTILSON: I know; this is just







December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology  
C/O Laurie J. Bartilson, Esquire  
Bowles & Moxon  
6255 Sunset Blvd., Suite 2000  
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.



All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal



denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted to do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer



contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian



ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by



everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;
2. Settle with Ed Roberts;
3. Dismiss your complaint against TGAC and Gerald Armstrong;
4. Remove all your bar complaints against Ford Greene;
5. Pay my attorney fees and costs;
6. We will dismiss the cross-complaint and appeal;
7. Cancel the agreement;
8. Return all materials you've stolen from me at any time;
9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who



was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pitiless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over \$500,000. Clearly nothing is going to happen



unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, \$150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression; suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in

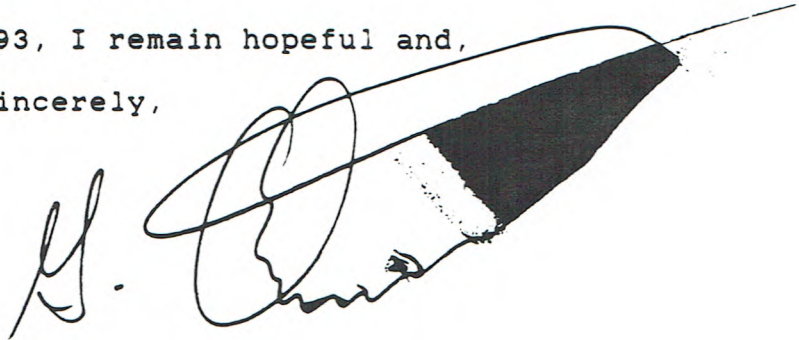


peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,

A large, stylized handwritten signature in black ink, appearing to be 'G. Armstrong', with a long horizontal stroke extending to the right.

Gerald Armstrong  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 949650  
(415)456-8450

:ga

cc: Malcolm Nothling  
Ed Roberts  
Lawrence Wollersheim  
Richard & Vicki Aznaran  
Richard Behar  
Ford Greene, Esquire  
Paul Morantz, Esquire  
Joseph A. Yanny, Esquire  
Toby L. Plevin, Esquire  
Graham E. Berry, Esquire  
Stuart Cutler, Esquire  
Anthony Laing, Esquire  
John C. Elstead, Esquire  
Michael J. Flynn, Esquire  
Fr. Kent Burtner



Margaret Singer, PhD.  
Cult Awareness Network  
Daniel A. Leipold, Esquire  
Church of Scientology International  
Church of Scientology of California  
Religious Technology Center  
Church of Spiritual Technology  
Church of Scientology ASHO  
Church of Scientology AOL  
Founding Church of Scientology of Washington, D.C.  
Church of Scientology Flag Service Organization  
Church of Scientology of Arizona  
Church of Scientology of Los Angeles  
Church of Scientology of Stevens Creek  
Church of Scientology of Sacramento  
Church of Scientology of San Francisco  
Church of Scientology of Washington State  
Church of Scientology of Boston  
Church of Scientology of Portland  
Church of Scientology of New York







**EXHIBIT L - VIDEO TAPE OF INTERVIEW WITH  
GERRY ARMSTRONG, DATED NOVEMBER 6, 1992  
HAS BEEN LODGED SEPARATELY WITH THE COURT**







GERRY ARMSTRONG VIDEO INTERVIEW 6 NOVEMBER 1992

S = Spanky Taylor  
G = Gerry Armstrong  
J = Jerry Whitfield

S: We're here with Gerry Armstrong on the 6th of November 1992. Hi, Gerry.

G: Hi, Spanky.

S: Basically, what we're doing here is I want to find out a little bit about your Scientology experience, or, more than a little bit -- as much as we can, starting from when you got involved.

G: Ok.

S: So, tell me about that first.

G: I got involved in 1969 in Vancouver, British Columbia, Canada. And ... I spent a year and a half...

S: How old were you then?

G: Twenty-two. Spent about a year and a half in Vancouver. Worked in the local franchise, Scientology Little Mountain. And then in the beginning of '71 went off to save the world. Joined the Sea Org. Flew to LA. And was ... Signed my Sea Org contract at what was USLO. Then was on board the Bolivar, stationship down -- not exactly sure where it was...

S: San Pedro?

G: San Pedro, right. Then...

S: I loved the Bolivar.

G: And then by mid-February '71 was flown to New York, Madrid. Madrid took a train down to Algeciras. Algeciras across by ferry to Tangiers. There sitting in the Tangier harbor was the Apollo. I stayed on board except for brief missions off the ship or sometimes I'd go ashore for brief periods. But was on board 'til the fall of 1975. And we were, in those years, in Portugal, Morocco, Spain, and the little Atlantic islands -- Madeira, the Canaries, and then we made a circuit to the Caribbean islands -- Bermuda, Bahamas, Jamaica, Trinidad, Barbados, Netherlands Antilles.

S: Sounds like a Beach Boys saga. (Laughter) And you knew LRH?



G: Uh huh.

S: You married, your first marriage was... you married on Flag.

G: Yeah. I married his head messenger. Terry Gillham. Young Terry. She was a pretty good catch.

S: She was. She was.

G: I was organizationally a social climber. I really was. It just worked out that way, you know, I was in the right place at the right time I guess.

S: You had quite the wedding. I remember the photos very well.

G: Yeah? Yeah, I had a big double wedding along with Pat and Trudy Broeker.

S: That's right.

G: And through most of my time on board the ship I was the Legal Officer. We called it the Ship's Representative. I dealt with Immigration, Customs, and the Police and Harbor Master and handled all the needs of the ship while in port. And then I was the Public Relation's Officer Port Captain for a period of time. And then I was the Intelligence Officer through our time in the Caribbean. And when we went ashore, landed in Daytona, I was the Intelligence Officer again at the staging area for the Clearwater base which we had in Daytona at that time.

J: What's an Intelligence Officer?

G: Well...

S: It's a

G: ...they were talking about...

S: ... jumbo shrimp, what are those things called oxymorons?

G: Espionage. It's a Hubbard patterned -- his intelligence system, after Nazi system. Perfected, created, developed by Reinhardt Gehlen. And I was one person within a giant network of intelligence personnel operated by the Guardian's Office who were in turn operated by the Guardian, Mary Sue Hubbard, and L. Ron Hubbard. He merely directed on his long distance communication lines all the intelligence operations internationally.

J: What kind of intelligence operations -- we're talking



about a church who has intelligence operations, a church with intelligence operations? Is that what you're saying? And you were there, you were involved in that? Is that what I'm hearing?

G: Right. Now I have a different perspective of course and I don't consider Scientology by any definition a "church" other than the fact that they have edifices -- buildings -- which could, if the activities therein were to change, could be churches. But the organization itself is not a church. But it's undeniable that it had intelligence organization and has been described as outside of the FBI and the CIA, the most formidable intelligence organization operating on the North American continent.

S: At this time, in the early times when you on the ship, you knew the offspring of L. Ron Hubbard. You knew his kids, as well?

G: Right.

S: Quentin and Diana, Arch and Suzette.

G: Right.

S: Tell me a little about them. I mean, you know, were they happy, were they well educated, were they ... because, of course, they were the offspring of this man with this tremendous wealth, did they receive the best of possible educations, did they lead a privileged life in terms of the...what was accessible to them in terms of in a society type of sense in terms of their education and their upbringing. Did they attend the finest finishing schools? Were they ... was Diana Hubbard a debutante. Do you know what I mean? Tell us about that.

G: I think she could have been a debutante but I don't think she was. I think that all the kids were pretty real in their own way, given the environment in which they found themselves and given the very odd circumstances of growing up in the Sea Organization. I suppose that the one I got closest to was Arthur. Arthur and I sort of ran tandem Sea Watch, or rather, gangway Quarter Master Watch for quite a period of time so I had the task of waking him up. He was pretty young at the time, maybe 13 or 14, I don't quite remember. It was always difficult waking him up and he would pull rank a little bit in that I didn't want to make too much noise waking him up in his cabin and there was always the threat that if you did anything out of line at all, Ron...

S: Son of Ron.

G: Son of Source.



S: Right, son of Source. Aauugh. That word.

G: But all of them, I was on Diana's Sea Watch and she was a good Conning Officer. I think that all of the kids were intelligent and I think that they were all decent, good people.

S: Happy? Unhappy?

G: I think both. You know, happy at times, unhappy at times.

S: Sort of normal then.

G: Pretty normal.

S: And Quentin?

G: Quentin, I think much the same thing. He probably was the oddest of the lot, relative to the Sea Org experience. But we got along fine. I always found him to be perhaps the most understanding, in a way, in almost as if he had ...

S: Sensitive?

G: Yeah, sensitive. compassionate. Didn't pull rank and wasn't threatening in any way.

S: So then you were at Daytona when the base was originally moved there.

G: Uh huh.

S: And from that point.

G: Then we moved to Dunedin. At that point I was busted from the Guardian's Office. I was in the Guardian's Office Intelligence Bureau. And Mary Sue or Nikki who was her communicator deemed me a security risk of some kind and so I was removed from the Guardian's Office and I was assigned to Hubbard's Communication Bureau. So I became what was called the Deputy LRH External Communications Aide when we moved to Dunedin which was in December of 1975 and we had a secret base for Hubbard and his personal staff and Mary Sue and her personal staff at Dunedin in an apartment complex I guess about maybe eight miles from Clearwater. And I stayed there until June of '76 at which time I was sent to Culver City here in Los Angeles to set up a staging area for what became the base that was built in La Quinta.

And I was only there for a brief amount of time. I was there to set up this unit along with three other messengers. And Hubbard arrived, Mary Sue Hubbard arrived, and then I had



a fight with Nikki, and Hubbard then assigned me -- first I was taken out of that unit and I was kept locked up at the Intelligence Bureau in the Fifield Manor in Los Angeles.

J: You were locked up?

G: Right. I was kept under guard for a couple of weeks.

S: Which is where that Guardian's Office had moved to.

G: Right. The Intelligence Bureau of the G.O. was there. I was picked up by the D/Guardian for Intelligence Dick Weigand.

J: Isn't that falsely (sic) imprisonment. Isn't that illegal?

G: Yeah. It was clearly false imprisonment.

S: At this point do you feel much of what you had done had been illegal? On some level or another?

J: For Scientology.

G: Personally?

S: That you had done personally.

G: I clearly had been involved in some illegalities while... especially while I was on the ship. Smuggling things on and off and...

J: What kind of things? Money, drugs? Weapons?

G: We did move a lot of money around. Briefcases...

J: Go on.

G: Briefcases of money that were brought to the ship. Booze, cigarettes, that sort of stuff taken off the ship and run through Customs. And other things that were just done sort of borderline activities. But I was willing to do those sorts of things at that time and I considered that I was doing ...it was the greatest good for the greatest number.

S: When you were working in Intelligence did you ... were you involved with any "dirty tricks" against other Scientologists or other staff members?

G: I was aware of dirty tricks against staff members and I was aware of the way the Guardian's Office Intelligence Bureau worked to some degree because I had a lot of the policies. I had the Guardian's Office Intelligence hat, the Intelligence



Manual which trained people to lie and steal and create false identities and harrass the enemy.

J: Why would a church need to do that?

G: Well, a church doesn't need to do that, but Scientology's not a church.

J: Why would Scientology feel the need to be involved in that kind of activity?

G: Because Hubbard was afraid and his idea on dealing with enemies was to attack them. One of the ways that he attacked them was through covert means.

J: Why would a man as great as Hubbard who had THE technology to save the world, have to fear anyone?

G: Well, he didn't have the technology to save the world and he simply had fear because he had fear and he was never able to triumph over his fear, so he put his trust in attacking people as opposed to doing the rational things in life and he also had reason to fear because he had falsified his credentials, he had lied about his life and he was afraid of being exposed and he had also lied and cheated for many years. He knew that there were people around who knew what he really was.

S: Now how did you come to find this out?

J: Can I ask one question? Answer that but answer this one first because you've got me really interested. If Scientology could do what it says it could do, would you still be in it? If it had the technology to do what it says, would you still be in anything?

G: In answering that question you'd have to...if you assumed that if it could do what it says it could do it would have a different form from what it is, then the answer might be yes. But both things would have to be true. It would have to deliver and it would have to be different from its present form opposed from the form which I came to know and understand.

J: Thanks. That's what I wanted to know. Go ahead with Spanky. How did you find out this?

S: How did you come to know that in fact Hubbard had fabricated his credentials, had in fact developed this tremendous fear that he had of being found out, had this paranoia?

J: What credentials? What would he do when found out?



G: I guess the process of that discovery began when I first got involved with the Sea Organization. Of course I worked with the man for quite a period of time. I shot gnus with him in the desert after we left the ship. He twice assigned me to the RPF. I talked to many people about him. I read hundreds of thousands of his words. I listened to him and listened to his tapes so I had a great understanding before I ever came to the realization that what I'd been led to understand was false, but I needed that great understanding I think in order to know what the falsities were. But I was, I considered, quite fortunate in that in the beginning of 1980 and we then were in Gilman Hot Springs and there was a threat of a raid and we were required to go through...each person had to go through his...all papers in his area, whatever post he was on, and all personal papers, and destroy anything which showed Hubbard's control of the organization, anything which showed his intent to live at the Gilman Hot Springs' property, anything which showed his control of organization finances.

S: So now in January of '80 isn't that when, as far as the rest of the staff at the other organizations knew, L. Ron Hubbard went off the lines, so to speak, January '80 he was like... Did he in fact go off the line or was it just made to look like he went off the line at that point? Cause if what you're saying, if I'm following you correctly, do you know, there was this perception that he was now gone and had cut ties to the actual on-hands running of the organization.

G: Well, it's...part of that is true. There had been a gradual decrease, I would say, of his hands-on involvement, but even though he left from the location that he was at the beginning of 1980, he continued to run the organization. He just continued to run through a different conduit.

S: Now, so you went through the papers within your own specific area. Was this prior to your being assigned to the biography project?

G: No, this is what the biography project came out of. Because in the process of going through my things I was at that time responsible for the Household Unit at the Gilman Hot Springs property. One of my juniors was responsible for all of L. Ron Hubbard's stuff -- his personal effects which were stored at the Gilman property. She came to me with a box of very old materials, very old papers, and asked if they should be shredded. I looked through this stuff and saw that it all predated Dianetics so thought, it should be no risk whatsoever. It has nothing to do with his running the organization. So, I also saw that it had great historical value. And when we then began to look over inventories, began to go through his stuff we uncovered some 20 boxes of similar



material. And I knew that this stuff, could form the basis for a library and was incredibly valuable for its history and just as original documents, and that it would form the basis for a biography. So, it was at that time that I petitioned Hubbard to be able to collect this stuff up to preserve it and to contract with an outside writer to do the biography.

He approved the petition in January '80. And then we communicated another couple of times before I then did not have what was that direct comm line to him, communication line. We could then no longer admit to a communication line to him. It still was there but we could not use it for fear of civil litigants or the government then being able to subpoena him.

S: As he was under a lot of legal threat.

G: Right.

S: Domestically, at that time, right?

G: Right.

J: Why would L. Ron Hubbard be under legal threat?

G: Because he controlled the organization.

J: What's wrong with that?

G: And because the organization was involved in criminal and tortious activities.

S: I think additionally the church had, was also under tremendous legal stress in terms of people who were filing suit against the church now for fraud. There were attempts made to name L. Ron Hubbard in a suit, to actually serve him or subpoena him which is when he sort of "poof."

G: Right.

S: Disappeared.

J: So he disappeared, he ran and hid.

G: Right.

J: So, hiding is pretty down on the tone scale.

S: So I hear, honey.

J: But that's what the great L. Ron Hubbard was doing. You were there and that's what you saw.



G: Yeah. I mean he did hide.

J: I'm not trying -- it's just very difficult, the reason I'm saying this, it's very difficult for somebody who's in Scientology to conceive that the great L. Ron Hubbard whom they've never met, but have only heard these wonderful things about, to even perceive or comprehend that this might have been ... might have occurred with this man. How can this man be human? He's not human. He was L. Ron Hubbard. The reason that we're doing this interview is so that other people can know. It's very easy for a non-Scientologist to understand those things. It's very difficult for a Scientologist because Scientologists don't get the type of information that non-Scientologists get. And yet you were there. You knew him. You worked with him for probably 15 years or so.

G: I was in the Sea Org for 11 years.

S: And Gerry, backing up a bit, you saw him as a fallible human being, am I correct?

G: Yeah.

S: I mean he had had illnesses.

G: Right.

S: A great many illnesses, a few illnesses?

G: Quite a few.

S: I know that he had these horrendous allergies which when we refer to them we would be heavily reprimanded and corrected and told they were not allergies they were sensitivities. (laughs) You know there was a brilliant way of sort of smoothing over things.

G: Right. Right. He continued to wear clothes when he was stark naked. Right.

S: Oh, yes. Yes, of course.

G: And we all did that in our own mind, and we all stopped ourselves from thinking critical thoughts of L. Ron Hubbard. We really didn't do him much of a favor because he really was human in every way.

S: Yes. Do you feel that the mindset of the group of -- all of the adoration that L. Ron Hubbard received, contributed to his delusion? Or do you feel that he imposed the delusion upon the group? Or do you think it's kind of 50/50?



G: There's no doubt that he was in control. And there's ... we did not control L. Ron Hubbard. And although he could have become the effect of his own lust for control, and his own greed and his own avarice, so he created his sycophants. And the effect of... often of what you create may not be that pleasant so he did create his own prison.

S: Ok. So now you contracted with Omar Garrison, am I correct, to do the writing of this book which you were researching?

G: Yeah, beginning in January, I collected up the materials from the Gilman Hot Springs property.

S: Several boxes of materials.

G: Right.

J: This was in '80 or '81?

G: '80, beginning of '80. And then shortly after that I moved them to Los Angeles and I began to add to them. I travelled around, travelled up and down the west coast and I bought collections, other people's collections of Hubbard materials. I interviewed a number of people, his other living relatives.

J: L. Ron Hubbard, Jr.?

G: Yeah.

J: His ex-wife?

S: Sarah Nordstrom. (sic)

G: No. No, I didn't talk to Sara. I talked to Sara after that project was over.

J: His daughter Alexis?

G: I spoke to her as well some time later. I spoke to his living aunt, living uncle.

J: That was his...

G: Yeah. It was good. Good. And they really saw him for what he was, as well. They knew him in a real manner. They knew that he was a big storyteller.

S: Now, at this time you're going around talking to these people and I presume verifying his various degrees and his education credentials, etc. And you're starting to see holes in these stories, right? At this point, it's still 1980, are you going, whoa. This guy's full of shit. Or are you going,



oh, something's wrong here? Or -- I mean I know so many people within the church, despite the fact that these claims and the intros to these books and L. Ron Hubbard's past, you know, and he's been killed three times and come back to life and born of a Virgin Mother or whatever the hell it is, they consider that these things are factual. He was a war hero. He did have these degrees. And that the government with a conspiracy against Scientology has gone in an altered all this information. Do you know what I mean? It's like, to continue their own delusion of what was what.

Now, at this point in 1980 were you still buying the story or would you concerned, you know, in terms of the validity of any of that?

G: There were a couple of steps in the process. Initially, I just collected the documents. Then I began to see discrepancies. And although I saw discrepancies I continued to believe that what he was writing about himself and what he had been saying was the truth. And that the discrepancies could be explained in some manner. Additionally, if there are only a couple of discrepancies and they're minor discrepancies, who cares. But, through the process of the accumulation of the biographic archive, in my study of them, I began to see that it wasn't just a few isolated instances but, rather, that he had -- that lying had been his pattern and that that's what was true about him. What was true about him was that he was a liar and that he appeared to think that he could lie with impunity.

J: What lies did you see specifically that you could enumerate a few.

G: The ones which were significant to me were the ones I think which had been used to draw me into the organization and which had kept me in the organization for all that time, and they were not just used for that but used to create a mystic about him which you could not penetrate, could not question. It was significant ones. If he had been crippled and blinded during the 2nd World War. That he had cured himself with Dianetics. That it was a matter of medical record that he'd twice been pronounced dead. That he was a nuclear physicist. Those, to me, significant representations, I was able to show in his own documents, not the government's documents, but documents which he maintained in his own archive, that they were false.

J: Gerry, how did you feel when this came to light? I mean, you're a loyal Sea Org member. You have worked for the last ten years as a Sea Org member working night and day very hard, giving your all, complete dedication, sometimes 16, 18, 20 hours a day. How did you feel when you began to find these things out and they began to dawn on you that this man



was a bigger liar than he was a purveyor a truth? This must have been the devastating thing to go through. You were loyal. There was probably no person any more loyal than you. You were one of the loyal Sea Org members.

G: Well, it was initially like I say, I just noted the discrepancies and carried on with my work. There came a time when my mind began to open. I began to see, and I began to question. That period of time was also a period of great confusion. There was also a period of time of some loneliness because there really was no one to talk to because I couldn't go to someone with a critical thought. I could not -- you could not talk and say the things that I had to say inside the organization.

Then there came a period of time in the fall of 1980. I actually had tried a couple of times. I'd gone to Laurel with some discrepancies, cause Laurel had been his public relations officer for many years. She knew the story. And I was saying, "Laurel, this isn't true. We can't say that." Well she got really angry at me and silenced me. So I learned to not say anything.

But there were a couple of points. One of them was contracting with Omar Garrison. And Garrison had a couple of very pro-Scientology books prior to my coming on the scene although he was not a Scientologist..

S: He was a huge ally of the church, in fact ...

G: He was a huge ally so again even with Garrison I couldn't just say, "Hey, Omar, you know, check this out. It's bullshit!"

S: I've connected the dots and it's scary.

G: Right. Now, it was a gradual thing with him, too. I would give him material and then we'd talk about it. Gradually I began to see that Omar understood, and Omar was an ally of mine, so we began to be able to talk freely. And that was another key to my getting out of the organization was... spending a lot of time with him, with his wife, travelling around the country in different situations outside the organization. And then going back into the organization and having that comparison all the time where you do, having the knowledge that I had, going into the organization and seeing the craziness inside and then going out of the organization and seeing that the representations the organization was making about the outside was another aspect of the big lie which was being run on us.

But, toward the end of my existence inside the organization, and also as I learned more I became, I guess, braver and



braver and braver. You know, willing to stand up -- it didn't matter any more. You know, you want to kick me out of this organization? See you later.

But I was still there, still dedicated, so I developed something of a cause during my last few months inside the organization of attempting to get the organization -- and, of course, I knew it would get to Hubbard and it was sort of a challenge to him, but initially to get the organization to change what it was saying.

S: I remember that part very well.

G: And I critiqued a number of the dust jacket material and the "About the Author" sections of the various books, and we'd go through them and line by line say, "This isn't true, this isn't true." Here are the facts." This we don't know. We can't document that. It sounds like bullshit to me. And so, I did that with a number of pieces. And I think it actually had a good effect up to a certain point, because they did actually change them and tone down some of the hyperbole.

S: Now, didn't at that point you also feel -- this is per my recollection cause I was a PR at that time and worked pretty close with Laurel and -- didn't you feel that despite the fabrications and despite the inconsistencies that there was still value to Hubbard? I think I recalled something about, "Gerry said that we could still do a biography and just make it truthful and still..." -- because LRH had contributed so much, just do a truthful thing, and his contributions would stand on their own. You didn't need all this fabrication. And you sort of had platformed this campaign, right, where you went over like a pregnant polevaulter...

G: Right.

S: ...as I recall.

G: It really, I think, ran his accomplishments and the technology will have to stand on its own. If it's going to stand, it has to stand on its own. We can't hold it up with lies. That's the way I still feel about it and I think it has fallen on its own. I don't think that it's workable and I think that it's an enforced technology. But that's sometime later in my development.

S: Now, by this time, you and Terry were no longer married and you had remarried to Joyce Brown.

G: Right.

S: Was your relationship with your wife at this time, where you were very vulnerable and feeling alone, was that any



solace to you?

G: Yeah. See, she came along in...

S: Another catch, dude. I mean she was such a doll-baby. She is such a doll-baby.

G: Yeah, she's a sweetheart. Initially, I'm working away on the biography project and she's up there in SMI, Scientology Missions International. And we connect. And you know what a Sea Org romance is like, you know. "Hey, gotta a weekend free, let's drive down to Tijuana and get married." You know it's that kind of a thing. I think I drove her down one week and got her a divorce and the next week got her -- married her, sort of.

But she was in much the same situation as I was, in, that, if you're free to talk to anyone inside the organization then, for one thing, the organization wouldn't be Scientology -- if people were free to talk it wouldn't be Scientology because that's the essence of Scientology is its lack of freedom. We at one point came to this realization that we could talk. So, just toward the end of our being inside the organization we formed something of a conspiracy of two. And so, knowing what we knew, and once I knew that I could talk to her and what she knew is she could talk to me, and we formed this little conspiracy...

J: It really wasn't a conspiracy though. It was open, honest communication.

S: Between a husband and wife.

G: Right, open and honest between us, but ....

S: But within the organization it would have been a conspiracy.

G: ...but conspiring to not let the organization know because they say you must talk open and freely to this sec checker but you can't talk open and freely to your spouse.

S: What?

G: That's the organizational paradonn. So we violated that because when it came to sec checking it was -- I mean she had to go through a sec check toward the end of our Sea Org experience and by that time, I mean, once you know that the whole thing is a scam, anybody can con a sec checker, because you have a certain altitude. Go ahead and ask a question. I don't care.

S: That's right.



G: You know, it doesn't read. There's no more belief in that meter. It's just a pack of garbage.

J: Are you saying that the E-Meter is not 100% effective?

G: The E-meter is at best a worthless, anti-religious artifact.

J: Thank you.

S: Don't sugarcoat it honey, give it to us straight, ok? I mean, you know, enough of this pussyfooting around stuff.

J: You feel pretty strongly about that, don't you Jerry?

S: Yeah.

G: No, it's ... irrelevant. It has no meaning. It has no value whatsoever.

J: I think the value that it has is the value that the person holding the cans has...

S: Infuses into it ...

J: Yeah, places upon it because of what he's been told or shown.

G: That's not the value. There may be some value in answering questions. There may be some value of looking into one's mind. And --

J: I agree with what you're saying. I don't disag.. I'm saying the value that it has to the organization, not to the person.

G: Oh, yes. It has the same kind of value that thumbscrews had in another era.

J: Yeah.

S: Now, Gerry, when you had all those documents and you had these boxes, did you not come across a lot of evidence in terms of not only inconsistencies in the fabrications that L. Ron Hubbard had presented to Scientology as a whole, but also things that made his past actually questionable in terms of maybe alcoholism or drug use or things that you came across that not only show him as someone who's made up these things, but showed a quite -- A man who was the antithesis of what had been presented.

G: Yeah. Yeah.



S: Tell us about that.

G: I began to see that his drug of choice in his later years were steroids. And he dosed himself with massive doses of testosterone and I remain convinced that that is what he used to keep an edge on his belligerence.

S: Interesting.

J: How did you come to find that out?

G: From his own writings.

J: Is there any way that we could look at those writings?

G: I don't know of any way of getting to them at this time.

J: Why? I know it's a simple question, but why?

G: Because the organization will not disgorge the true information which it has on Hubbard.

S: Do you think they've kept that information or do you think they've destroyed the information?

G: Both. So that there is certain aspects of what they've done and the criminal activity that they're involved in which they maintain and there're certain aspects of it which they destroy.

J: When you say the criminal activity they're involved in, do you think that the majority of Scientologists have any idea that that's going on?

S: The current Scientologists?

J: Yeah.

G: No.

S: Of course not.

J: Then?

G: When you talk about the majority -- the people at the top know.

J: Like David Miscavige and Norman Starkey and...

G: Yeah, and Gene Ingram? Sure. The people who control Scientology. And the lawyers. Oh, yeah, the Earle Cooleys of the world? Sure. They absolutely know that they're



involved in criminal activity designed to destroy civil rights of the members of the organization and the lives of anyone they perceive as enemies.

J: Can you give me two examples of civil rights that Scientology has violated?

G: Freedom of association, freedom of speech, freedom of religion.

S: Just to name a few, honey.

J: Ok. Yeah. I mean, thanks because...

S: Gerry, keep going.

J: That sort of thing I think is important. Most people don't realize that that's what's going on. Most people have no idea that that's going on. Did you feel like you were manipulated while you were in there?

G: While I was in there I don't recall that the subject of manipulation crossed my mind. I don't think I could have allowed myself to think that I was being manipulated. But...

J: Did you ever feel that way?

G: I felt absolutely controlled. But my understanding of the manipulation, the coercion, comes later.

J: After one pulls back and views it from the outside.

G: Yeah, well, I mean, technically I was inside but I had really begun to deprogram myself and so...

J: Did you tie yourself up? I mean we all know about deprogrammings. You get tied up, and ...

S: ... sexually molest yourself.

J: Did you tie yourself up and sexually molest yourself?

G: Oh, I mean, deprogramming has to do with that subject of manipulation. While you're programmed you don't know that you are being manipulated. When you're deprogrammed you realize that you have been manipulated.

J: So in order to be deprogrammed, one has to be programmed.

G: Yeah.

J: Deprogramming doesn't work on somebody who hasn't been programmed.



G: I would think that's true.

J: Yeah. I would think so too. I would think so too.

G: Accepting the word and the definition.

J: When did you leave?

G: December '81.

J: Why?

G: It was time to go. (laughter)

J: Would you tell me a little bit more about that. I mean, I believe what you're saying but not everybody knows the Gerry Armstrong story. And I think a lot of people might be most interested.

G: Ok. Well, I came to the point I guess a couple of weeks prior to that and I had been very vocal on the subject of the lies, Hubbard's lies, the organization's lies and the organization's activities. And my vocalness had come to the attention of Norman Starkey. Norman Starkey at that time was on a mission operated by David Miscavige, the purpose of which was to take care of Hubbard's legal problems so that he could come out of hiding. And Starkey one day came into my area, Hubbard archives area, and we had a conversation. And he accused me of saying things about Hubbard which were untrue. And one of the things he said was, Hubbard -- he wanted, Starkey wanted, to charge the PRs through the ages with creating the lies which I have documented.

S: Well... now hadn't that happened to a large extent? Did Lizzie and Laurel -- for a period of time, I don't know what happened to the whole thing, but they took the fall that they had made it up and they had written these falsehoods about L. Ron Hubbard.

G: But they weren't around in 1950 and 1952 and 1965...

S: No, but they were the ones who -- they had written down the biographical information on L. Ron Hubbard, how it was dictated to them by L. Ron Hubbard, per my recollection.

G: But they were not there. If you look at -- what's the book on the atom bomb, the nuclear physicist's book -- "All About Radiation". If you look at that book and if you look at the bulletins that were written in that era it says, L. Ron Hubbard, a nuclear physicist. Lizzie wasn't there. Laurel wasn't there.



S: That's true. That's so true.

G: How can you say -- I mean, it's like one thing to make those people scape goats, but those people weren't there in '56. Laurel wasn't old enough to be there in '56. She was in our generation. I mean, you know, we're the 60's. We're the baby boomers.

S: Lizzie certainly wasn't there, either.

G: Anyway, what I did was show Starkey in Hubbard's handwriting where he had called himself a nuclear physicist and Starkey just went silent and he stormed out. And a short time later I was called down to Gilman Hot Springs.

J: Do you think he had a major ARC break?

G: No, I think that he recognized that everything that he had put his life into for so many years and had done so many rotten things and attacked so many people in defense of. That he saw that that hung in the balance and he had to go one way or another. So he chose to close his mind. And he wrote to the ... one of the executives of La Quinta ... Gilman Hot Springs and requested that I be sec checked.

J: This is the Golden Ere Studios, or Golden Era Studios.

G: Right, but at that time -- I'm not sure what it is now.

S: No, cause it's at Gilman's.

G: CMO headquarters...

S: This is at La Quinta.

G: No, this is Gilman.

S: Oh, this is Gilman, ok.

G: Yeah, this is -- CMO headquarters, in any case. And so I went -- I was called to Gilman and I spoke to Cirrus Slepp. And she asked me about -- she actually showed me Starkey's report on me. And I said that I -- you know I was quite open with her.

S: Now Starkey reported that you had fabricated this information?

G: No, Starkey reported that I was criticizing Hubbard and he wanted to find out what I had been saying and what documents I had been giving to Omar Garrison because I'm working closely with Garrison, and if I'm giving Garrison documents showing that L. Ron Hubbard claimed to be a nuclear



physicist and L. Ron Hubbard lied about being a nuclear physicist and Starkey knew about many more lies...

J: The cat would be out of the bag.

G: Right. So he wanted -- they wanted to keep a lid on it. Cause his job, of course, is to continue the myth of L. Ron Hubbard. Starkey's put a whole life into doing that. He's dedicated to that illusion.

J: Starkey got into Scientology in the 60's in South Africa. So he's been in a long time, probably 30 years.

G: Yeah

J: That's a long time to put in. It's at that point 20 years.

G: Right. And he was in a position of power. And he liked those positions of power. And this is, of course, some kind of a threat. I mean, here's just some guy down there making all kinds of noise and essentially calling L. Ron Hubbard a liar.

J: You know, one of things that always... I'd always thought about in Scientology was the is-ness, as-is-ness, alter-is-ness and not-is-ness. It says in order for something to survive or continue there has to be a lie in it. And the question that always came to my mind -- the first question that always came to my mind is, for Scientology to continue it must have a lie because it says so right here. In order for anything to continue it has to have a lie. So I always wondered what the lie in Scientology was.

G: The lie is that is Hubbard's philosophy. Hubbard's philosophy is flawed. It is a corrupt, dishonest philosophy. And he was a corrupt and dishonest man.

J: You must hate his guts. You must hate his guts for a person who's ... for a person who's been loyal...

G: That which will survive is that which can never be altered. That which is altered and that which is hence unreal, that which is a lie, will not persist. Now you can try and Hubbard can try but you will not get lies to persist.

J: That's true because there's always some truth under there and they'll pull the truth out and it's fixed full of lies.

G: The truth will be there no matter what you do with it.

J: We need to go eat lunch, or dinner?

G: Oh, ok.



J: So I think that you have an appointment.

G: Yeah.

J: Before we do that, let me ask you two quick questions.

G: Ok.

J: You left in '81.

G: Right.

J: You were sued in '84.

G: '82.

J: '82.

S: Jerry?

J: It went to trial in '84.

G: Right.

S: We should just pick this up, because...

J: We will.

S: Ok, I just wanted ...

J: We will. But, I just want to get this on here. They lost the suit against you.

G: Right.

J: In '86.

S: Big time.

J: In '86. They sued you in '82. Went to trial in '84. In '86 they settled out of court with you.

G: Right.

J: For hundreds of thousands of dollars, if my sources are correct, and you don't need to verify ... or hints at all, if you can let us -- if you want to, it's fine. But there's no reason to give anything. If my sources have been correct you got \$800,000. You -- Scientology paid you \$800,000 because you knew the truth about L. Ron Hubbard. You knew the truth. And you have been harrassed and you've followed. You've been lied about. You've had people watch you 24 hours



a day for weeks on end. You've had to go through extreme mental pressure today, yesterday, even. Gene Ingram says things to you like, "Gosh, Gerry, you look like you have AIDS," when in fact you're a very healthy person and you're a marathon runner. And it's...

G: Right.

J: Settlement aside, but, these other things are correct.

G: Right.

J: These guys are still harrassing you.

G: Right.

J: And you were a loyal, loyal, Sea Org member. Never in your wildest dreams did you think, when you got into Scientology, and you dedicated your life to this, if ever they had put you in this position.

G: Right.

J: Thanks. Can we continue this?

G: Yeah.

J: Thanks.

G: Thank you.

[RESUME TAPING]

S: Hi Gerry, you left in '81.

G: Right, December '81.

S: Can you tell me what led up to your departure from Scientology?

G: Sure. I had come to the conclusion at the end of '81 that the organization was not going to reform its ways, it was not going to correct the lies L. Ron Hubbard had told about himself. L. Ron Hubbard was not going to correct the lies he'd been telling about himself. The organization was not going to change its -- what I considered -- criminal and anti-social behavior. And I knew that my days were numbered, that I could not continue to be in the organization taking the stand that I had been taking, being vocal on the subject of Hubbard's lies. So I really was faced with only one choice to make and that was to leave. So, I carefully, cautiously, and over a period of a week or ten days removed my few belongings and my wife's few belongings out of the



building and we cleaned our living space before we left. Left the few pieces of Sea Org uniform that I had, and we drove away.

S: I see. Now didn't you at this time do something rather brazen which is like -- didn't you keep some of the documentation for some period of time and send copies to the church or vice versa kept copies and sent stuff back to the church?

G: No.

S: No?

G: No, I didn't. I worked very diligently and my wife Joyce -- and Jocyn -- worked very diligently for the last couple of weeks copying whatever we could copy of the documents which I had in archives, many of which I had already copied and already provided to Omar Garrison, but I was dedicated to Garrison. I sensed, or knew, that whoever took over the biography project after I left, and I assumed that it was going to be Vaughn Young, because he'd been working with me on the project at that time and it was my expectation that he was going to take over the project, that the organization once I left would not allow Garrison the access to the materials that I had so my dedication to him, my dedication to the biography project and my dedication to the attempt to bring to light the truth brought me to copy everything I could, and what I couldn't copy and all the copies that I had remaining, I took to Garrison at the end. So I provided them to Garrison and then Joyce and I drove up to Canada. And at that time we were completely documentless. I did not have any documents. Didn't do anything with the documents for a period of time.

There came a time some months later because I began to work for Garrison outside the organization that I, at his request, copied a lot of the copies which I had given to him because he wanted to set up a separate archives because he felt that the organization was going to burglarize his place and steal the materials that I had provided to him.

So, that second set of materials was what I then provided to Mike Flynn, or sent to Mike Flynn, after I knew that the war with the organization had started, in the spring of 1982.

So, the organization's claim that I stole all these documents -- that's simply not true. I was under contract to provide the documents that I could to Garrison and I performed pursuant to that contract. It was only as a result of the organization's declaring me an enemy -- I knew that I was then fair game. I knew that the battle had been engaged. And I took it as what was the only sane thing to do. Anticipating a legal battle. In fact I was told to get a lawyer. I did.



I got Mike Flynn.

S: Okay. And so, then, how did it progress from that point, the legal battle?

G: Through the spring of '80 -- late spring of '82 and into the summer I provided sets of documents as I was able to get them from Garrison and copy them. I sent them to Mike Flynn. Some of the documents that I sent were some of the originals which I had provided to Garrison.

Some of the originals I provided to Garrison because he needed, or, we felt, that it was very good to have originals because he was considering including copies, photographs of the original documents in the biography, some of the things which were in Hubbard's handwriting and on the original paper would have been great included in the biography. So some of them he had for that reason. Some of them he had because I just didn't have time to copy them. It was our intention that Garrison would copy them and he'd provide -- give the originals back to the organization.

But some of the documents were originals, but most of them were copies which I provided to Flynn.

S: Now up to this point Mr. Garrison had been, as you'd stated before, an ally of the church. And Did he also -- was he becoming disillusioned with all this newly discovered information?

G: I think he was -- he wasn't probably as illusioned as I thought he was. He really was an intelligent man living on the outside of Scientology, and had provided as a writer a service for them in doing the books that he'd done. But he thought his own thoughts and he was independent of Scientology. And he is a -- he's a fighter in his own way, so he had already had his own battles with Scientology just to arrive at the products that he'd done.

So it came to him as really no surprise. And It was a surprise to me that it was no surprise to him. He was pretty real about the whole thing. But, he did begin to understand that he had possession of very sensitive documents and that the organization would then consider him, if not an enemy, certainly a major security threat in that he possessed these very sensitive documents.

S: Okay. So, you went to court. The Church filed suit against you, am I correct?

G: Yeah. August '82.

S: You countersued.



G: Right.

S: This was a big suit. I mean this was well covered in the LA Times. This was like a very big, visible suit. Can you tell me how that progressed and what the outcome was? And who all was involved?

G: Sure. They sued me in August of 1982 seeking to recover the documents which I had sent to Mike Flynn, and seeking damages. And the causes of action were conversion. They considered that my providing -- initially they claimed that my providing the documents to Omar Garrison was conversion because they did not know at that point that I had retained a copy of the contract to show that Garrison legitimately had the documents and that I legitimately had given Garrison the documents.

I defended the suit initially by stating that the documents were not the organization's documents but were L. Ron Hubbard's documents and L. Ron Hubbard should bring the lawsuit but L. Ron Hubbard would not come out of hiding, and he was afraid to come into court. So then Mary Sue Hubbard intervened on his behalf. And she claimed a proprietary interest in the documents.

That was the initial stage of the lawsuit. The judge in Superior Court -- I think it was Judge Coale, then ordered the documents which I had provided to Mike Flynn and to my other lawyers Contos and Bunch in Woodland Hills -- he ordered those documents be delivered to the court and they stayed within the possession of the court through the lawsuit, through the pendency of the lawsuit up until the time of settlement which was December 1986.

So, they initially sued me, and then I filed a counterclaim for the intentional infliction of emotional distress and for fraud. That then, the two cases were bifurcated -- they were split apart so that initially all that got tried at my trial, at the Breckenridge trial in the spring of 1984 was their lawsuit against me. And out of that came the famous Breckenridge decision in which he found that because of my knowledge of fair game, of organization, intelligence operations and of the fraud of L. Ron Hubbard that I was justified in going to Garrison, getting the documents that I knew about and sending them to my lawyer. So ... That was the result of that trial.

My case against them...

S: Was that a jury trial?

G: No, judge trial. My case against them did not go to trial



because that was settled. It was scheduled to go to trial. At one time in December of '86, then in early 1987. And in large part because it was scheduled to go to trial the organization settled it.

S: Now I know a lot of other executives at the time sort of -- I wouldn't say rallied around you, but, but, came to witness against the Church during this time.

G: Right.

S: And that was a big thing at the time, right, because these were some of the senior most executives of the church.

G: Uh huh. Laurel Sullivan who'd been Hubbard's public relations officer whose history went back with him through the Sea Org. Bill -- sorry, Bill Franks wasn't there. Homer Schomer. Eddie Walters.

S: Kima, didn't Kima..

G: Kima testified. Nancy Dincalci. So a number of them were, really my friends. People who I'd known inside the organization and outside the organization. A group of friends who were quite close to me and who had the courage to come forward and testify.

S: That's great. Now, your suit settled and -- bring us up to date to this point as well as how you feel retrospectively about the whole situation, what, you know, what would like to do now, are you under a gag order presently? Are you not?

G: I'll give you the history.

S: Ok.

G: So in, From 1984 after the Breckenridge decision there were a series of events -- operations that the organization mounted against me to compromise me, to set me up, to get me charged with false criminal charges, any number of things. The onslaught...

S: 1984, that was during the trial -- during your case or prior to your case or after your case?

G: They began before -- in 1982 they had PIs on me, I was assaulted, I was driven into. They tried to get me in a highway accident. They harassed me day and night for well over a month. Then as a result of the court's comment about this kind of activity, they backed off. They kept up the legal onslaught and they deposed me in any number of cases and within my own case. And they ran operations against me. You okay?



S: Yeah.

G: But it was really after my trial in 1984 when they escalated the war. They sent around my friend Dan Sherman. You may know him. And I liked Dan. We were really close. And we hung out a lot. But the whole thing was an operation to get Dan close to me so that I could be set up. And what they tried to do through Dan was to convey to me the idea that there was a group of people inside the organization who wanted to reform it, who wanted to get rid of the criminal element at the top of the organization and have it revert to its pre-Guardian's Office, pre-criminal days. Get rid of the criminality.

S: Now, so at this point, were you supportive of that effort, on Danny's part?

G: Well, at first all it was was him telling me that there was this group of people and then he would send me messages from them. And then gradually I built up a relationship with them. These people claimed to be a core group of 35 people inside the organization who were working covertly because of their fear that should it become known that they wanted to reform the organization they said they were afraid for their lives.

S: So at this point despite everything you knew about Hubbard you must have had some faith in the technology of Scientology. Or am I wrong? Am I mistaken? I mean if you thought well we can restore this organization to its original intention to be, you know, this may be humanitarian group or maybe this ...

GA: No. No, it's more like downstairs here there could be any number of Catholics, Protestants, Jews or whatever, but I support the cause that they're involved in. It's that sort of way. I did not consider myself a Scientologist, but, if Scientologists want to continue to be Scientologists and at the same time clean up the criminal element in the organization I can support that without myself being a Scientologist. So I supported their intention of reforming the organization. And I didn't know who they were. I'd never spoken to them so it was sort of a support from a distance -- there was nothing to do. He was relaying this information to me.

Then they initiated a dialogue with me. They wanted to communicate with me. And they would send messages via Dan, the message that they really respected me for what I did, the integrity that I showed during the trial, and so on. I got a phone call one night from one of these guys just after the trial and just the day before I was to fly to London to



testify in the child custody case, the one that Jolly West quoted from today, the Latey decision came out of that trial. I went over there and testified. Well the night before I received a telephone call from one of these people claiming to be one of the 35 Loyalists. And he said, "We can get your pc folders. We know you want your pc folders. We can get them for you." "Oh, ok. What do I have to do?" "Oh, well you'll have to drive to a certain place in Los Angeles..."

S: Griffith Park.

G: No, this was a different -- I never went, I never bit. I never rose to the bait on that occasion. I said, "Well, to me this could be construed as accepting stolen property and it also could be an attempt to get ... to stop me, because of the times that were involved, to stop me from flying to London, cause they did not want me testifying in the trial. I said, "As much as I'd like the pc folders I can't do it." In any case I flew to London and testified. There, in London, I was harrassed at Heathrow Airport by private investigators. And they, in fact, wrote sworn affidavits that I was observed passing sealed documents to a bearded Arab in the Old Cock Tavern, pardon me, on a particular Tuesday night. I had in fact been at the Old Cock Tavern for lunch on the day previous but I was not there now on a Tuesday night. And the whole thing was concocted, but that's true to form of Scientology, you know, manufacture evidence. So they ... a Scientology operative will swear to anything. The fact that it's a sworn affidavit doesn't mean anything. But it was just another piece of the ongoing operation to compromise and set me up.

I returned to the U.S. and then I was contacted by two people. One of them was David Kluge, who I only knew at that time as Joey. And the other one was Mike Rinder, who I'd known from inside the organization in the Sea Org. And both of them -- and all of this was video taped, illegally, covertly, by Gene Ingram. And I didn't know at the time and I talked to them like I ...

S: This was the meeting in the park.

G: Right.

S: The famous meeting in the park.

G: Right. And there were a series of meetings in the park but I talked to them like I talk to you and I -- you know my language was atrocious. I made bad jokes. Just rotten. I had a foul mouth at the time. But I was also -- you know, I mean, I could pick up that there was something weird going on because what they would tell me off camera seemed to be so different from the questions that they're now we're sitting on a park bench and they're talking to me. And I'm ... was



completely open about the whole thing, but I also knew that there was something weird about it so a lot of what I'm saying on the video tape reflects that aspect of the thoughts that are going through my mind about how strange this is.

But there are some really funny things that occurred. If you've never seen the videos, they're very, very funny.

S: You know, I don't know, Gerry, that the videos were ever shown. What I do know is that a transcript of these meetings was published in Freedom News Journal.

G: Right. A part, part of it.

S: In part. But it was very interestingly written because it would say -- it would have a quote and it might be a sentence, and then it would say, "And then he said..." and the rest was all just like editorialized, "And then he said this and this and de-de-de-de-de-de-de-de-de-de." And then there'll be another quote. And I thought, "Well, if he said these things why didn't you just publish the dialogue? Why are you giving me your interpretation of what he actually said?"

J: True to form.

S: Of course. It amused me. I was still involved in Scientology. Still a believer. I saw this. I have to tell you, this shook me, cause I went, "This is nuts." Who could ever believe this article? And I was truly, truly committed to the organization at this point. But it really made me go, "Please, this so discredits them. Why would they do this this way?"

G: When they first broke the videos in 1985 up in the Christofferson trial, before they were shown to the jury the judge viewed the first two videos. And he viewed them in his chambers, then he came back out and he said, "These are very damaging, damaging to the church." Right. And they polled the jury after the trial. And they said that the video tapes of me only proved one thing. And that was that fair game was alive and well in 1985.

So, the Scientologists are so blinded. Here's the way I think it went down. People are reporting to Hubbard through this time that they have an intelligence connection to Armstrong. And Hubbard hates Armstrong, you know, cause I've been saying all these things. And they've been telling him that I took the documents.

S: Pull back the curtain.

G: I mean, out of what I did came the Breckenridge decision



which stated, "This guy is a paranoid, schizophrenic." I mean just the worst thing that he ever wanted to hear. But true.

But they -- the organization could never tell Hubbard the truth. And Hubbard could never hear the truth, so there's a perfect situation there for Hubbard to get partial truth and it always happened inside the organization, then he would issue an order. He would issue an order, in this case, like, "Get that into evidence. That'll destroy Armstrong." Because they're telling him, "We've got video tapes of Armstrong saying 'this,' and of course, they take one line out of context." But that's the big win that they want to convey uplines to Hubbard.

And of course, Hubbard doesn't get the whole picture, but now he has issued an order. And now they have to jump through the hoops to get those video tapes -- illegally taken, and the judge stated up in Oregon, these things are illegal. But they fought to get them in. And after the judge said they're damaging against the church, does anyone care? I had to go through the incredible embarrassment of my foul mouth, and I didn't know, you know, did I pick my nose, you know -- how did I? You know there's four hours of video tape I was just -- I was a total jerk.

S: (Laughter)

G: But I understood after a while I really -- it was terrible to me. Up in the Christofferson trial. When I knew that my friend, Dan Sherman had set me up, that the whole thing was a set-up, that they'd video-taped all of this stuff, the betrayal was so awful to me. I was suicidal for just days. I walked out of the courtroom. The judge got rid of the jury, sent everyone home, and he was busy watching these things in there. And I'm sitting, I'm alone out there in the courtroom for an hour and then someone, one of the Scinos' lawyers walked in and made some complaint about me even staying in the courtroom and so I walked outside.

And we were on the third floor of the courthouse. And there was, you know, the stairs came up like this onto the third floor and then they went around like that so there were two places where you could look down three floors onto the marble floor below. It looked just hard enough that it would do the job, just smack! I really considered it for a long time. I walked over to the railing of one of these areas and I looked down, and I was just contemplating just ending it right there. Then I realized that down below was a set of pay phones and that, you know, someone crossed over there to the payphone and I realized, you know, here I go to end it all and I take some innocent guy out walking to the payphones, so I couldn't do that so I walked over to the other one, thinking well, you



know, here's an opportunity. And there was a bank of Coke machines. And so, you know, just out to save some other poor guy, I didn't take my own life at the time.

But it was horrible. I just ... I came just so close. And I... My heart -- there was incredible pain. One night I just couldn't sleep and there was this pain and I just couldn't breathe. Awful! It went on for some days over a weekend and then into the next week. I think they had me on the stand for 10 days, 7 or 8 of which were cross-examination with the great Earle the pearl Cooley. Anyway ...

So that's what happened in 1985 and they just continued after that. Then they culled my pc folders. And they sent all the most scurrilous stuff out of my pc folders. And they put that ... filed the stuff in my case in LA Superior Court.

S: Well, you had to have of known that that was going to happen.

G: Well, I mean, you get a sense but you really can't believe it until you see it. And then you can't believe the twists that they and their lawyers put on it. You know and there was this dream I had. I had a dream up in Portland in '85 and I sent it... I've had very few memorable dreams in my life and only one or two of them have I ever written down. And this one was so vivid and so memorable that I wrote it down. And I wrote it, I think, very concisely. It was some of my very best literature because it is really tight and really good. It's also really foul. The language and the concepts are just grotesque. But it was a great dream. And I sent it to Dan Sherman because he's my literary buddy. It ends up the Scinos get it and they got that! And they want to put that into evidence in the ... the Christofferson trial!

That one, that one followed me this last year it showed up in Johannesburg in South Africa. The organization provided it to their lawyers over there to attack me with. A dream! And they twisted that -- that the fact that I had a dream was the proof of what a perverse, distorted guy I was. Anyway...

So, there was a series of things. When I first arrived in Boston, in September of '85, well October '85, they brought criminal, they attempted to bring criminal charges against me with the FBI for impersonating an FBI officer. Five times they brought either flat out criminal, or quasi-criminal contempt charges against me. And they tried the same thing in Marin County.

S: Gerry, let me stop you here for a minute. What motivates you. I mean, why on earth wouldn't you say, "I did this. I messed up. I made a wrong choice. I'm just going to go away now. And have my life and just ... you know, I have my wife



and I have our birds or..." whatever you guys had at the time. I don't remember. I used to get Christmas cards from you guys -- I think you had birds or cats or something.

G: Yeah! We had birds. That little guy could talk.

S: Nicky?

G: Mikey.

S: Mikey.

G: Right!

S: That's right.

G: Anyway, there was a period of time, December '86. It was the time of the settlement. And we'll get back to the settlement in a minute.

I felt that I really could get on with my life. And I could do a number of other things. I began to, I mean I'd always written, but I wrote seriously. I drew seriously. I spent a lot of time doing my things. I had my own life. And I maintained communication with my friends you know, who I did not disconnect as a result of the settlement. The organization may have felt that I should have or had to or that I was contracted to but I didn't do that. But I really had my own life and I wasn't involved in anyone's litigation. And I didn't have to do anything about them for a period of time.

But the organization couldn't quit. They couldn't let the Breckenridge decision stand. They couldn't let my image stand, whatever I represented to them so they continued their attack. They continued in a false -- what they call a Dead Agent pack that they put out against Bent Corydon in 1987. They did it in the Russell Miller case, in London in 1987. They filed 8 absolutely false, scurrilous affidavits regarding me, specific to me in that case.

S: And this was post-settlement agreement.

G: Post-settlement agreement. Gene Ingram provided an edited version of the video tapes -- the illegal video tapes to the London Sunday Times.

S: Now let me ask you something? In this settlement agreement, does it clearly state that this was not allowed? In the settlement agreement? I mean, were they thus in violation of the settlement agreement?

G: In my opinion, yes! Because the settlement agreement,



unless it worked two ways, didn't work at all. But if it was only one-way, then they relieved me of any duty to perform by their doing that. In other words, they cannot -- if the settlement agreement is only a lop-sided, one-sided settlement agreement, that's fine! I honor it and I'm silent. And I don't do anything to violate it. Then everything works fine as long as they don't. But as soon as they, in a new, as they would say, unit of time do something, I clearly have the constitutional right to respond and speak out. They waived the right. They had to remain silent whether it said they had to remain silent or not. Additionally --

S: Did it say? That they did? I mean, was it one of those agreements that Okay, we're just going to both let by-gones be by-gones?

G: That's exactly the words in it, yes! Anyone would interpret it that way. And anyone did. But they interpret it by saying --

S: You should let bygones be bygones and get over it but they didn't have to.

G: Not only that! That they have a right to say whatever they want and I must remain silent even if they can say that I was an ax murderer. And I must remain silent? It doesn't work. But not only that, I realized that my silence was in fact an obstruction of justice. Because all of those people who depended on my testimony, and I have great testimony regarding the fraud of Scientology, was vital to anyone who'd been defrauded by Scientology. So I felt that I really have a right and a duty now to stand up to the organization. I did not --

S: So you were feeling like you were getting over it and you wanted to leave it alone and you wanted to get ahold of your life, for a period of time until they began to lash out at you, at which point you said, "Hey, I don't need to lay down, for you to run over me."

G: Well, there was a series of -- even though they published the Corydon Dead Agent pack, even though they published the material in the Russell Miller case in 1987, shortly after the settlement agreement, I didn't do anything. And I didn't do anything until I got a series of telephone calls from Larry Heller, organization attorney threatening me with law -- with being sued if I were to even testify pursuant to a subpoena. So I knew at this point, "This has gone too far." And what happened was I was subpoena'd to testify in a deposition in the Bent Corydon case. Toby Plevin subpoenaed me. Now I had maintained some communication with Bent because he is my friend. I had not assisted him in any way in his litigation



because I had agreed not to do that but I knew that if he subpoenaed me, that that was senior to whatever settlement agreement existed.

Another aspect of the settlement agreement that you should know, was that I was told before signing it by my lawyer, Mike Flynn, that it was "not worth the paper it's printed on. You do not have to obey this. It cannot be enforced." So I signed in large part because Mike Flynn said that.

Now, in addition to that, Mike Flynn had told me through time -- and I had grown to understand that 1) the organization had attempted to assassinate him 2) it had destroyed his marriage and 3) he had to get out of the litigation for those reasons. So I was faced with, if I don't sign, then all of these other people don't get to settle, my lawyer can't get out of the litigation, it's going to go on forever, and in addition to that, I've been told by my own lawyer it's unenforceable, it's not worth the paper it's printed on. So sure, I'll go ahead and sign this thing and I will even attempt to honor it knowing that the only hope for a settlement with that organization is if they do change their spots if they do indeed turn over a new leaf, and if they do indeed repudiate fair game. They haven't done it. Hence we now are again locked in battle.

S: Now what is your present litigation with the Church of Scientology?

G: They brought a lawsuit to attempt to enforce the settlement agreement. Out of it ... in May of this last year, there was a hearing here in Los Angeles, in Superior Court, in front of Judge Sohigian. The organization claims that they got a great big win out of it and that I am enjoined pursuant to the settlement agreement. Not true! Judge specifically said that he would not enforce the settlement agreement other than one very narrow issue. The very narrow issue is that I cannot except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now that we are appealing even that narrow ruling, because that's unenforceable because if you construe that my... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I am obliged to take my own life. In other words then I must stop breathing. It's unenforceable hence I feel that I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act in life that way.

And that is in part why I am here at this event now, why I came to the CAN Conference.



S: OK, so what are your further plans? I mean, you're doing great, now. You've got this luxurious long hair.

G: I want to run a 236 marathon.

S: 236 what? 236 yards?

G: 2 hour and 36 minutes marathon. And I want to..

S: That's what you do, you run.

G: I run. So I want to do that. And I want to end the litigation and I want, you know, peace for everyone. I want to reform the economic system of the world and that's mainly it. I don't have any designs on the U.S. presidency.

S: Presently.

G: No, I can't have, I'm Canadian.

S: Oh, That's right.

G: OK are we done here?

End of Tape.







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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF LOS ANGELES

---oOo---

CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
not-for-profit religious )  
corporation, )  
Plaintiff, )  
vs. )  
GERALD ARMSTRONG; DOES )  
1 through 25, inclusive, )  
Defendants. )  
\_\_\_\_\_ )

**CERTIFIED**  
COPY

Case No. BC 052395

DEPOSITION OF  
GERALD ARMSTRONG  
VOLUME V  
PAGES 525 - 624

\_\_\_\_\_  
WEDNESDAY, MARCH 10, 1993

REPORTED BY: LYNN P. NYLUND, CSR NO. 3696

Mary Hillabrand, Inc.  
520 Sutter Street  
San Francisco, CA 94102



1 I haven't objected much in the non-Fifth  
2 Amendment areas. I really don't want to but I will at  
3 this time communicate my desire to you to just simply use  
4 your skills to formulate a proper question, please.

5 MS. BARTILSON: Well, it is improper.  
6 Objections are reserved, form questions are normally  
7 reserved anyway. It is certainly improper to instruct  
8 your witness not to answer based on an instruction based  
9 on form.

10 I object to your obstruction of the  
11 deposition. However, I will be happy to ask him  
12 different questions.

13 Q. Mr. Armstrong, since October of 1992, have  
14 you provided your knowledge to the Cult Awareness  
15 Network?

16 A. Not specifically.

17 Q. Since October of 1992, have you provided  
18 your knowledge to any member of the Cult Awareness  
19 Network?

20 A. Not specifically.

21 Q. Have you generally?

22 A. Yes.

23 Q. What did you do?

24 A. I attended their conference in November in  
25 Los Angeles.



1           Q.     And what did do you at that conference in  
2           November in Los Angeles that generally made your  
3           knowledge available to them?

4           A.     I spoke with people.

5           Q.     Who did you speak with?

6           MR. GREENE:   Objection.   Right of privacy.

7           THE WITNESS:   Associational privacy.

8           MS. BARTILSON:   Are you instructing him not  
9           to answer?

10          MR. GREENE:   No.

11          THE WITNESS:   I spoke with perhaps,  
12          personally spoke with some 50 people.   Beyond that I  
13          would decline to provide the names of those individuals.

14          MS. BARTILSON:   Q.     With these  
15          approximately 50 people, did you discuss experiences that  
16          you had or that you claimed to have had with the Church  
17          of Scientology?

18          A.     Although I do not specifically recall  
19          discussing my experiences, I was willing to answer those  
20          people's questions regarding my experiences.

21          Q.     Did any of those 50 people ask you questions  
22          concerning your experiences?

23          A.     Yes.

24          Q.     Did you answer their questions?

25          A.     To the best of my ability.



1 wanted to put on the videotape?

2 A. Not in detail.

3 Q. Where did you make the videotape?

4 A. In the hotel in which the CAN conference  
5 occurred.

6 Q. Who was present when you made the videotape?

7 A. Jerry Whitfield, Sparky Taylor and someone  
8 else. They're at least part of the time, and I don't  
9 recall who, and I am not sure if other people came and  
10 went; but it was generally Jerry and Sparky.

11 Q. Was Hannah Whitfield present?

12 A. She may have been there. I have no present  
13 recollection.

14 Q. Who operated the camera?

15 A. I believe Jerry.

16 Q. After December 22nd, 1992, did you initiate  
17 any speaking or media events?

18 A. Yes.

19 Q. How many?

20 MR. GREENE: Wait a minute. I am going to  
21 object to this line of questioning. I don't believe this  
22 is in the scope of Judge Horowitz's order.

23 MS. BARTILSON: Well, since we litigated  
24 over Judge Horowitz's order, we have had your client  
25 making all these threats concerning proposed violations



1 of the Settlement Agreement that he wants to do and so on  
2 and so forth.

3 Certainly it goes to whether or not we have  
4 permanent injunction in this matter. Certainly it is  
5 required, and I am very happy to make a motion to  
6 Horowitz, if I need to, to reopen direct examination of  
7 Mr. Armstrong. But I think that it would be a foolish  
8 waste of time for all concerned, and I would suggest that  
9 you let me go through these questions.

10 MR. GREENE: Sure. Go ahead.

11 MS. BARTILSON: Q. I think we have one  
12 pending?

13 A. I believe my answer was yes.

14 Q. The next question was how many?

15 A. How many what?

16 Q. Speaking or media events did you initiate  
17 since December 22nd, 1992?

18 A. One.

19 Q. What was that?

20 A. It was a speaking event.

21 Q. Were you a speaker?

22 A. Yes.

23 Q. Where did you speak?

24 A. At someone's house.

25 Q. In what city?



1 A. I decline to say.

2 Q. At whose house?

3 A. I decline.

4 Q. What was the subject of your speech?

5 A. Fair game.

6 Q. Anything else?

7 A. It was generally that.

8 Q. Who was present when you gave the speech?

9 A. There were some 30 to 40 people. I will not  
10 give you names beyond that.

11 Q. Were any of the 30 to 40 people present  
12 members of the Cult Awareness Network?

13 A. I don't know.

14 Q. Were any of the 30 to 40 people present  
15 members of the Church of Scientology?

16 A. I don't know.

17 Q. Let me understand correctly what you spoke  
18 about, Mr. Armstrong. You consider fair game to be a  
19 policy of the Church of Scientology, do you not?

20 A. Correct.

21 Q. And you consider that -- I think you have  
22 testified earlier that everything that's ever happened to  
23 you in litigation with the Church of Scientology is,  
24 quote, quote, "fair game"; is that right?

25 A. I do not believe I ever made that claim.







# Scientology in the Schools

Is L. Ron Hubbard's morals text harmless?

BY KENNETH L. WOODWARD  
AND CHARLES FLEMING

**W**hen Carol Burgeson received a copy of "The Way to Happiness" in the mail 13 months ago, she read it through and decided it was the perfect non-religious vehicle for teaching moral values to her senior students at Thornton Township High School in Harvey, Ill. So Burgeson ordered more free copies of the book by L. Ron Hubbard and used them to stimulate discussions in her classes. "It seemed so harmless," she says. "Brush your teeth, do your work, don't be tardy—what's wrong with that?"

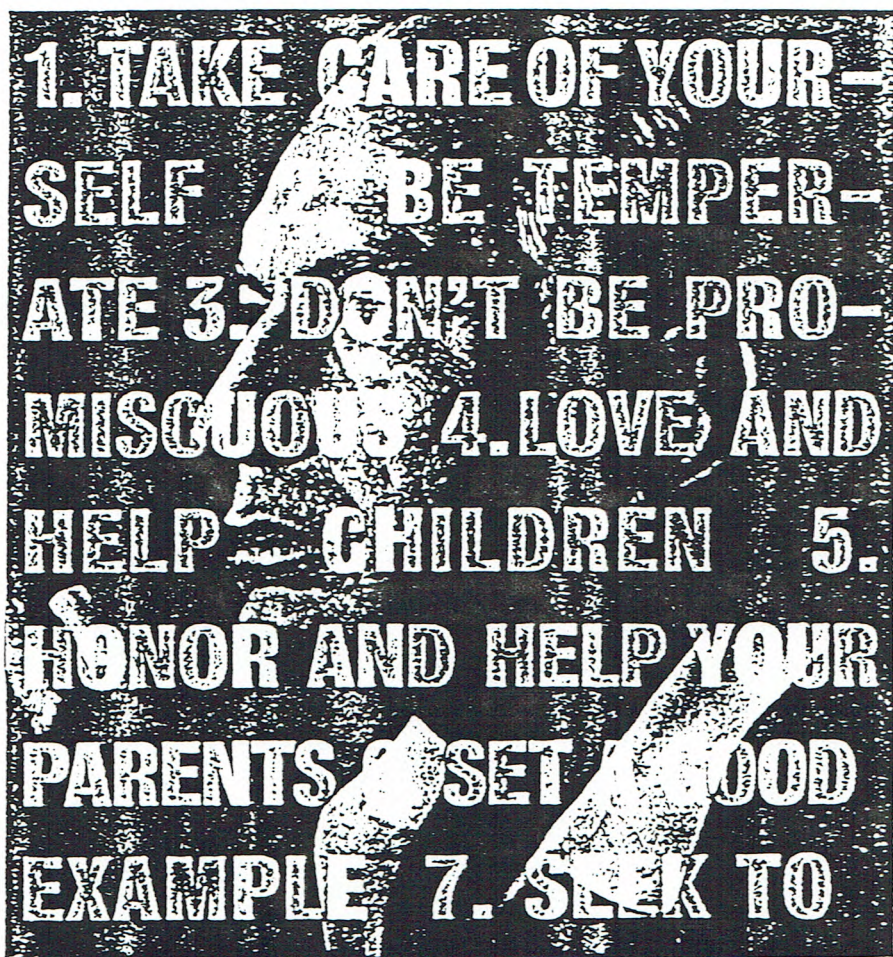
Nothing. But she was more than a little surprised to discover that the late Hubbard, who is identified in the pamphlets by name only, was the founder of the Church of Scientology, and that the pamphlets are distributed by a foundation tied closely to his controversial religion. She's not alone. With little fanfare, Hubbard's text has found its way into the nation's schools. According to the Scientologists, 8,300 public-school teachers and administrators have used the morality text since it was first published in 1981. Altogether, church officials estimate, 6.8 million pupils in 7,000 U.S. schools have studied Hubbard's moral principles; internationally, more than 84 million copies in 17 different translations have been distributed—sometimes, say Scientologists, by major corporations. "That book," says the Rev. Heber Jentzsch, president of the Church of Scientology International, "has probably had more popularity than anything Mr. Hubbard has written."

The need for books on values has long been recognized by public-school educators. Strapped for cash and under pressure from parents to deliver a values-oriented education, many teachers and administrators welcome any text that promises—as Hubbard's does—to deliver sound moral principles on a "nonreligious" basis. But when *Newsweek* checked with public-school educators who received the text, some said that they had been misled. In Brooklyn, N.Y., Lawrence Herstik, principal of PS 238, initially welcomed "The Way to Happiness" as "a values-oriented book about righteousness and peace." But he stopped using the text after he discerned "an undercurrent of a religious nature." In Bellflower, Calif., Jeanie Cash, principal of the Frank E. Woodruff Elementary School,

ordered copies of the Hubbard book but refused to put them into her classrooms when she discovered that they came from the Church of Scientology. "They sent a brochure saying it was a self-esteem program," says Cash. "I feel that I was deceived. We feel very strongly about the separation of church and state."

living house, and promoted through The Way to Happiness Foundation, one of several independent corporations designed to propagate Hubbard's thought.

All of these putatively "secular" organizations are coordinated by the Association for Better Living and Education (ABLE), which is an organ of the church. The "Way to Happiness" book is itself part of Hubbard's extensive philosophical and religious writings, which for Scientologists, says Jentzsch, "are the same as the Bible is for Christians and the Koran is for Muslims." What makes "The Way" acceptable for public-school use, Jentzsch argues, is that students who read the book do not have to follow Hubbard's moral



Since "The Way to Happiness" claims that it is "not part of any church doctrine," Scientology officials insist that its use by public schools poses no problems. Hubbard wrote it in 1980, they report, the year the U.S. Supreme Court ruled that public schools in Kentucky could not display the Ten Commandments in the classroom. Like Scientology itself, says president Jentzsch, the book merely teaches "common sense." However, the volume is published by Bridge Publications, the church's own pub-

"Way to Happiness": Hubbard's 'secular' text

principles, while members of the Church of Scientology must.

On the surface, there is little in the book that would trouble any educator who believes in cleanliness, honesty, integrity and tolerance. Among Hubbard's 21 moral principles is this curiously relaxed restatement of the golden rule: "Try not to do things to others that you would not like them to do to you."



But Hubbard's catechism is also studded with jarring axioms. It declares, for example, that "the way to happiness does not include murdering your friends, your family or yourself being murdered."

More important, anyone familiar with Scientology will find that the text uses key words and concepts taken directly from Scientology's religious lexicon. For instance, Scientology teaches that the fundamental point of life is "survival," and that only those who become the "cause" of their own actions can be truly happy. This is also a major theme of "The Way to Happiness." More significant, Scientology teaches that the truth is "what is true for you." This relativistic view is repeated with emphasis in the book. On the other hand, the text is silent about most of Scientology's central tenets: for example, its belief that people suffer from evil deeds done in past lives that the church's ministers can correct through expensive counseling courses, and its adamant opposition to psychiatry.

Front group? Critics of Scientology, including some former officials, argue that "The Way to Happiness" is primarily a recruiting tool for the church. According to Vicki Azmaran, who once served as inspector general of the Religious Technology Center, the church's highest ecclesiastical organization, The Way to Happiness Foundation is "a front group to get people into Scientology" and the book is designed "to make Scientology palatable to the masses." Another former church member, Gerald Armstrong, claims that Hubbard wanted "rich Scientologists to buy huge quantities of this book for distribution. He wanted to go down in history as a scientist or a philosopher or both." Both Azmaran, who runs a private detective agency in Dallas, and Armstrong, who works for an anti-Scientologist attorney in San Francisco, are currently locked in prolonged and bitter litigation with the church over a variety of claims.

Church officials strongly deny that "The Way to Happiness" is a lure to attract potential converts. Still, the church is anxious to broaden its appeal by promoting Hubbard's various "technologies" for combating drugs, reforming criminals, teaching morality and learning how to study—and doing it through its sundry satellites: Narconon, Criminon, Applied Scholastics and The Way to Happiness Foundation. The church's encyclopedic reference text, "What Is Scientology?", claims that 23 corporate giants have used Hubbard's study technology. Yet a check of three of them—Mobil Oil, General Motors and Lancôme—brought denials of any corporate involvement with the church. But if the nation's public schools are any measure, Hubbard's tracts will continue to turn up in the most surprising places. ■

## Martyrs for Multiculturalism

Courses that students at UCLA might die for

For 20 years, the University of California, Los Angeles, has offered courses about Chicano culture and history. But last April, on the eve of the funeral of Cesar Chavez, the farm workers' union leader, officials announced that they would not create a special department devoted to Chicano studies—instead they pledged to im-

content themselves with interdisciplinary majors taught by professors from traditional academic departments. That arrangement is unsatisfactory, say the demonstrators, because faculty members have little time or encouragement to concentrate on ethnic studies. Their solution: full academic status for Chicano studies. "We cannot continue to the next necessary step without departments," says Luis Torres, an English- and Chicano-studies professor at the University of Southern Colorado who also heads the National Association of Chicano Studies. (About 17 percent of UCLA's 23,000 students are Chicano; many have not joined the campus demonstrations.)

UCLA administrators insist that a field like Chicano studies—touching on history, sociology, literature, feminism and other disciplines—is best left as an interdisciplinary program. That structure encourages the flow of ideas among Chicano-studies faculty and other specialists. Creating separate departments, says UCLA Provost Herbert Morris, encourages a "Balkanization" that the university wants to avoid. "We need the ethnic perspectives to pervade all the departments," says Morris, who does agree that the Chicano program needed improvement.

Chancellor Charles E. Young offered to take several important steps to bolster the Chicano-studies program. First, all ethnic- and gender-studies programs would be exempt from funding cuts for two years—a critical gesture because the UC system is strapped for cash. Second, new faculty would be appointed jointly to Chicano studies and an existing department—history, say, or languages. Also, Young insists that this year's decision need not be the final one. He suggests that the idea of a full-fledged department can be re-examined in a few years. Seeking an end to the demonstrations last week, university officials offered even more funding and more faculty for the program. So far, the protesters have rejected his offers—as well as food. In a state where minorities now account for nearly half of the student body at some public universities—and sometimes more—the bitter conflict at UCLA will not be the last.

CONNIE LESLIE with ANDREW MORA at UCLA



LESTER SLOAN/NEWSWEEK

A fight to the death: Protesters at UCLA

prove the existing program. Since then, the campus has reverted to '60s-style protests. Students—mostly Chicanos—took over a faculty center, then trashed it. City police arrested 99 demonstrators. And now, on the lawn outside the administration building, nine demonstrators have taken a page from the Chavez manual, pledging to fast until a department is created—or they die.

Is this a cause worth dying for? "We are risking our lives to save lives," says hunger striker Jorge Mancillas, assistant professor of biology at UCLA's medical school. More academic attention, he thinks, will eventually pay off in a more prosperous, stronger Chicano community. But UCLA does not have separate departments for any special-interest group. Asians, blacks and women have all had to







**EXHIBIT P - VIDEO TAPE OF PORTION OF  
ENTERTAINMENT TELEVISION SHOW "STARS AND SPIRITUALITY",  
DATED AUGUST 5, 1993 HAS BEEN LODGED SEPARATELY WITH THE COURT**







**ENTERTAINMENT TV**  
**STARS AND SPIRITUALITY**  
(Controversial Spirituality)  
5 August 1993

N: Narrator (Greg Agnew)  
JT: John Travolta  
HJ: Heber Jentzsch  
GA: Gerald Armstrong  
MR: Mimi Rogers

Portion with Gerald Armstrong:

[SHOT OF HGB]

N: What happens when members try to leave Scientology has been another point of controversy.

[SHOT OF OPENING OF LRH EXHIBITION: John Travolta, et al.]

N: One of Scientology's celebrity members, John Travolta, has been drawn into that controversy. But the actor denies his experience has been anything but positive since the day he joined.

JT: Oh, years? About 15 years ago and ever since then it's been fantastic.

[SHOT OF HEBER JENTZSCH]

N: Jentzsch is also adamant that any member who wishes to leave the Church is free to do so.

HJ: One can come and one can go. You have that freedom. You may find others who say it's not so. But realize that we have ethical standards. And there's people who do not want to meet those ethical standards.

[SHOT OF ARMSTRONG, looking at legal papers]

N: Gerald Armstrong says that leaving Scientology in 1982 wasn't that easy for him.

[SHOT OF PAGES OF MEMORANDUM OF INTENDED DECISION]

N: In litigation Armstrong testified that he wanted out, after working for Hubbard and discovering documents that showed the Church Founder lied about his background and achievements. As Armstrong explains in the lawsuit, when he left Scientology he found he needed to take that so-called proof as protection.



[SHOT OF ARMSTRONG, looking at booklet that says "Two Faces"]

N: That got him sued by the Church, labelled an "enemy of Scientology", and allegedly made him a target of the fair game doctrine.

[CLOSE-UP SHOT OF ARMSTRONG]

GA: The actual fair game doctrine states that someone labelled an "enemy", may be tricked, cheated, lied to, stolen from, sued, or destroyed, by any means, by any Scientologist.

[SHOT OF HEBER JENTZSCH]

N: Jentzsch says today there is no fair game doctrine.

HJ: There was a policy years ago which was misunderstood. A person who leaves the justice system of Scientology can be fair game for this society.

[SHOT OF PAGES OF THE BRECKENRIDGE DECISION]

N: In 1984 a California judge came down on Armstrong's side in his suit versus Scientology. Nine years later the two sides are still at legal odds.

[SHOT OF OTHER COURT DOCUMENTS -- GA Breach suit?]

The Church is suing Armstrong, accusing him of breaching the original settlement agreement by speaking out against Scientology.

[SHOT OF HEBER JENTZSCH]

HJ: This is a person who wants to make a big name for himself off of Scientology.

[SHOT OF ARMSTRONG]

N: Armstrong denies the charge. He and his attorney contend the contract is illegal and the lawsuit, improper.

[SHOT OF MANUSCRIPT entitled: **ONE HELL OF A STORY An Original Treatment Written for Motion Picture Purposes Created and Written by Gerald Armstrong**]

N: He eventually hopes to tell his story on the big screen.

[SHOT OF NARRATOR, AGNEW]

N: One of the stories that Armstrong intends to tell is that of OT-III...



[SHOT OF PORTION OF MANUSCRIPT: Centers on paragraph labelled: "THE WALL OF FIRE -- text at end of transcript]

N: ... the story of the "wall of fire".

[SHOT OF NARRATOR, AGNEW]

N: It includes references to **OT-III** -- **vetted: discussion of** So does all this controversy effect the stars who practice Scientology?

[SHOT OF MIMI ROGERS]

MR: ...seems to be cyclic, you know. Every five years or so there's a rash of publicity. And I, I'm not really close to the Church and what goes on organizationally. It doesn't really effect me, frankly.

[SHOT OF CHICK COREA]

N: One celebrity who may be paying the price for his status as a Scientologist is Chick Corea. German officials recently cancelled a planned performance by the jazz musician. They deny the cancellation has anything to do with Corea being a Scientologist, though Corea, his managers, and the Church aren't convinced. The German government and Scientology have long been at odds.

[SHOT OF HEBER JENTZSCH]

HJ: Yes. People take flak for their religious beliefs. But that's, that's just bigotry. That's all it is. You have to question the motives of a bigot.

N: From Los Angeles, I'm Greg Agnew for E-News Daily.

[End of Segment]

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Text of page of text from Armstrong's manuscript:

[SHOT OF PORTION OF MANUSCRIPT: "THE WALL OF FIRE Gerry copies Hubbard's documents, talks with people, works with Laurel, sleeps with Joyce, and audits OT III. This is the big deal that all Scientologists work toward, the "wall of fire," the end of eons of **OT-III data** -- **vetted: mentions of** Security surrounding the OT materials in the Advanced Organization is high. Gerry signs them in and out and carries them in a locked briefcase to and from his solo sessions. The



materials contain Hubbard's assertion

— vetted: discussion of OT-III —

] [NOTE: This shot is on the screen  
for a total 2-3 seconds, long enough for the narrator to  
complete his sentence.]







Margery WAKEFIELD, Plaintiff,

v.

The CHURCH OF SCIENTOLOGY  
OF CALIFORNIA, Defendant-  
Appellee.

Times Publishing Company and Tribune  
Company, Appellants.

No. 89-3796.

United States Court of Appeals,  
Eleventh Circuit.

Aug. 12, 1991.

Religious organization sought orders to show cause why plaintiff, which had brought suit against organization, should not be held in civil and criminal contempt for violating confidentiality requirement of settlement agreement. Newspapers' motions for access to contempt hearings and related pleadings, proceedings, and records, to determine if their reporters' qualified privilege prevented them from being compelled to testify, was denied by the United States District Court for the Middle District of Florida, No. 82-1313-CIV-T-10, Elizabeth A. Kovachevich, J., and newspapers appealed. The Court of Appeals, Hatchett, Circuit Judge, held that newspapers' appeal from order denying them access to contempt hearings did not fall within capable of repetition, yet evading review exception to mootness doctrine.

Case dismissed.

#### 1. Federal Courts ¶724

Newspapers' appeal from order denying newspapers' motions for access to evidentiary hearing at which hearing newspa-

per reporters had been subpoenaed did not satisfy requirements for capable of repetition, yet evading review exception to mootness doctrine after hearing was held; and newspaper which had reported on case did not seek to intervene until two years after closure, and case involved unique circumstances, such as plaintiff's "constant disregard and misuse of the judicial process," on which closure order was based. U.S.C.A. Const.Amend. 1.

#### 2. Federal Courts ¶614

Parties may make alternative claims, change claims, or sometimes file inconsistent claims, but may not do so in appellate court; Court of Appeals reviews case tried in district court and does not try ever-changing theories parties fashion during appellate process.

#### 3. Federal Courts ¶723

When addressing mootness, Court of Appeals determines whether judicial activity remains necessary.

#### 4. Federal Courts ¶723

Three exceptions to mootness doctrine exist: issues are capable of repetition yet evading review; appellant has taken all steps necessary to perfect appeal and to preserve status quo; and trial court's order will have possible collateral legal consequences.

#### 5. Federal Courts ¶723

Capable of repetition, yet evading review exception to mootness doctrine applies if challenged action is of too short a duration to be fully litigated prior to its cessation, and reasonable expectation exists that same complaining party will be subject to same action again.

Synopsis, Syllabi and Key Number Classification  
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The Synopsis, Syllabi and Key Number Classification constitute no part of the opinion of the court.



## 6. Federal Courts 723

Mere hypothesis or theoretical possibility is insufficient to satisfy test for capable of repetition, yet evading review exception to mootness doctrine.

Appeal from the United States District Court for the Middle District of Florida.

Before HATCHETT and COX Circuit Judges, and HENDERSON, Senior Circuit Judge.

HATCHETT, Circuit Judge:

We dismiss this case, which at one time touched upon important first amendment issues, because the case has been rendered moot.

## FACTS

Margery Wakefield and three other plaintiffs alleged that the Church of Scientology of California (the Church) committed various wrongful acts against them. On August 14, 1986, Wakefield, the other plaintiffs, and the Church entered into a settlement agreement which included provisions enjoining Wakefield and the other plaintiffs from discussing, with other than immediate family members, (1) the substance of their complaints against the Church, (2) the substance of their claims against the Church, (3) alleged wrongs the Church committed, and (4) the contents of documents returned to the Church. The district court approved the settlement agreement, sealed the court files, and dismissed the case with prejudice. The dismissal order specifically gave the court jurisdiction to enforce the settlement terms. Nonetheless, Wakefield publicly violated

the settlement agreement's confidentiality provisions.

In 1987, both the Church and Wakefield filed motions to enforce the settlement agreement. The district court requested that a magistrate judge address whether either party had violated the settlement agreement. On September 9, 1988, the magistrate judge issued a report and recommendation which concluded that Wakefield had violated the settlement agreement, and the Church had fully complied with the agreement's terms and conditions. On November 3, 1988, the Times Publishing Company (the Times), which publishes the *St. Petersburg Times*, moved to intervene in this lawsuit, to unseal the court files, and to gain access to any contempt hearings. In its motions, the Times alleged that the sealed court records and closed proceedings violated its and the public's constitutional and common law rights of access to judicial proceedings and records. In opposing the motions, the Church argued that they were untimely and barred by laches. On May 16, 1989, the district court adopted the magistrate judge's report, issued a preliminary and permanent injunction against Wakefield, and referred the Times's motion to intervene to the magistrate judge.

Notwithstanding the court's injunction, Wakefield continued to publicize the lawsuit. Thus, on July 18, 1989, the Church sought orders to show cause why Wakefield should not be held in civil and criminal contempt. The Church also sought damages, costs, and attorney's fees. To support its requests, the Church submitted excerpts of newspaper, television, and radio interviews attributed to Wakefield.

On August 15, 1989, the magistrate judge submitted a report and recommenda-



tion addressing Times's motion to intervene. He recommended that absent a compelling reason, all future proceedings and the court files, except for documents pertaining to the settlement, should be open and that Times be allowed to intervene. Due to events discussed later in this opinion, the district court has not issued a final order on these issues.

The district court scheduled an evidentiary hearing to address the Church's contempt motion. As witnesses at the hearing, the Church subpoenaed reporters for the *St. Petersburg Times* and the *Tampa Tribune*. Consequently, the Times, and the Tribune Company, which publishes the *Tampa Tribune* (the newspapers), filed motions for access to hearings, pleadings, proceedings, and records related to the contempt hearings in order to determine if their reporters' qualified privilege prevented them from being compelled to testify.

#### PROCEDURAL HISTORY

On September 11, 1989, the district court held an *in camera* proceeding to rule on the newspapers' motions. The district court denied the newspapers' motions for access to the hearings because the Church subpoenaed the reporters only to establish the source and accuracy of the statements attributed to Wakefield. The district court also held that the reporters waived any privilege by publicly attributing the statements to Wakefield.

In considering the newspapers' motions, the district court stated, "due to the plaintiff's complete and utter disregard of prior orders of this court, the court concludes that any restriction short of complete closure would be ineffective." It further held that "[p]ublicity of a private crusade has become her end, not the fair adjudication of

the parties' dispute. In doing so, plaintiff is stealing the court's resources from other meritorious cases." Thus, the district court closed the contempt proceedings to the public and the press referring further proceedings to a United States Magistrate Judge. The magistrate judge began contempt hearings on September 11, 1989.

On September 18, 1989, the newspapers filed a Notice of Appeal, a Motion for Expedited Appeal, and a Motion for Stay Pending Appeal. On September 29, 1989, this court granted expedited appeal, but denied the newspapers' emergency motion for a stay of the contempt proceedings pending resolution of the expedited appeal.

On appeal, the newspapers argued that the closure violated their first amendment and common law rights of access to judicial proceedings. They contended that the public's right of access outweighs the rationale for keeping the settlement agreement confidential. The Church contended that Wakefield's "open and defiant contumacious conduct" mandated closure and that the newspapers did not enjoy an absolute constitutional or common law right of access to civil proceedings.

During our first oral argument, we learned that the newspapers had never requested the district court to allow access to the contempt hearing transcripts. Since the hearings had been completed before oral argument, we issued a November 17, 1989, order which temporarily remanded the case to the district court for the limited purpose of allowing the newspapers to seek access to the contempt hearing transcripts. The order further instructed the district court to rule on such a request "within a reasonable time."



On June 25, 1990, eight months after the last contempt hearing, the magistrate judge submitted a report and recommendation which concluded that Wakefield had willfully violated the court's injunction. He further held that while a civil contempt finding could be appropriate, he suggested the case be referred to the United States Attorney's office for prosecution on the criminal contempt charges. The district court has not issued a final order addressing whether Wakefield is in civil or criminal contempt.

Furthermore, almost a year after our temporary remand, the district court had not ruled on the newspapers' requests for access to the contempt hearing transcripts. Thus, the newspapers filed a motion requesting that this court clarify the "reasonable time" language in the November 17, 1989, order. In order to speed finalization of this matter, this court denied the clarification motion, but issued an order stating, "[a]fter December 3, 1990, this court will entertain a request for relief addressing the delay that has occurred since our remand to the district court provided that relief has been sought." After this clear signal for action, the district court issued a November 21, 1990, order unsealing the civil contempt proceeding transcripts, except for those portions which disclosed the settlement agreement terms.

On March 21, 1991, the newspapers filed a motion requesting a second oral argument, which the Church opposed. On April 18, 1991, we granted the newspapers' motions for a second oral argument, instructing the parties to address (1) whether the case was moot, (2) whether a case or controversy remained, and (3) whether a reasonable possibility of settlement existed

## ISSUE

The sole issue we discuss is whether this case is moot.

## CONTENTIONS

The newspapers argue that this case is not moot because the court can grant relief which will affect the parties by ordering release of all the judicial documents relating to the contempt hearing and the unreleased transcript pages.

The Church contends that this case is moot and does not present a case or controversy which this court may address. It emphasizes that the newspapers initially sought access to the proceedings to represent their reporters, then under subpoena. It argues that this aspect of the case is absolutely moot because the Church released the reporters from their subpoenas.

## DISCUSSION

[1.2] This case, at its beginning, presented an interesting and important issue: under what circumstances may civil judicial proceedings be closed to the public and the press? Unfortunately, the newspapers did not prevail in their efforts to halt the proceedings; this court denied their motions to stay the proceedings pending the expedited appeal. The newspapers argue that we should address whether a constitutional right of access to civil proceedings exists. To do so, however, would constitute an advisory opinion. The hearing that is the subject of this case terminated almost two years ago. Although the newspapers have an interest in the constitutional question, perhaps for future cases, no "live" case or controversy remains in this case. The hearings have been completed, and the newspapers have been given the



hearing transcripts.<sup>1</sup>

[3] When addressing mootness, we determine whether judicial activity remains necessary. *Warth v. Seldin*, 422 U.S. 490, 499, 95 S.Ct. 2197, 2205, 45 L.Ed.2d 343 n. 10 (1975). "A case becomes moot, and therefore, nonjusticiable, as involving a case or controversy, 'when the issues presented are no longer 'live' or the parties lack a legally cognizable interest in the outcome.'" *B & B Chemical Co. v. United States E.P.A.*, 806 F.2d 987, 989 (11th Cir.1986) (quoting *United States v. Geraghty*, 445 U.S. 388, 396, 100 S.Ct. 1202, 1208, 63 L.Ed.2d 479 (1980)).

[1] Three exceptions to the mootness doctrine exist: (1) the issues are capable of repetition, yet evading review; (2) an appellant has taken all steps necessary to perfect the appeal and to preserve the status quo; and (3) the trial court's order will have possible collateral legal consequences. *B & B Chemical Co.*, 806 F.2d at 990.

The newspapers argue that this case falls within the "capable of repetition yet evading review" mootness exception. They argue that a case is not moot if this court can grant relief that affects the interested parties. *Airline Pilots Association v. U.A.L. Corp.*, 897 F.2d 1394 (7th Cir.1990); *Wilson v. U.S. Department of Interior*, 799 F.2d 591 (9th Cir.1986). Thus, they assert that we should order the release of all the judicial documents related to the

contempt hearing and the unreleased transcript pages. In their view, these documents are essential so that the public can understand what happened to Wakefield.

[5] The newspapers do not meet the exceptions' two conditions in order for the capable of repetition, yet evading review exception to apply: (1) the challenged action must be of too short a duration to be fully litigated prior to its cessation, and (2) a reasonable expectation must exist that the same complaining party will be subject to the same action again. *Weinstein v. Bradford*, 423 U.S. 147, 149, 96 S.Ct. 347, 348, 46 L.Ed.2d 350 (1975).

As an example of the action's short duration, the newspapers assert that they acted promptly by filing during the contempt proceeding's adjournment a motion for a stay pending the appeal of the district court's closure. The record refutes this assertion. The underlying case has been in the federal court system since November 29, 1982. Even prior to the 1986 closure, the Times reported on the Wakefield case, but not until 1988, did Times seek to intervene. Additionally, the newspapers did not appeal the closure order until the contempt hearing had been adjourned for a continuance. These facts refute the newspapers' assertions of the action's short duration.

Likewise, the newspapers cannot satisfy the second condition. In addressing the

1. It is also noteworthy that the newspapers have changed their claims as the case has progressed. They first sought access on constitutional and common law grounds, then they sought access to protect their reporters from compelled testimony. Finally, with full knowledge that the hearings had been completed, the newspapers never sought the hearing transcripts until prompted to do so by this court. Now, with all but eleven pages of the hearing transcript, the

newspapers seek the eleven pages on constitutional and common law grounds. Many of the theories presented to this court were never presented to the district court. Parties may make alternative claims, may change claims, may sometimes file inconsistent claims, but parties may not do so in the appellate court. This court reviews the case tried in the district court; it does not try ever-changing theories parties fashion during the appellate process.



second condition, the newspapers argue that if this court does not offer judicial guidance, a "reasonable expectation" exists that this controversy will occur again. They specifically state that they "continue to expect and suspect that secret church proceedings are being or will be held," and suspect that the Church will bring contempt proceedings against the other plaintiffs. The record does not support these suspicions.

[6] This case involves unique circumstances which are not easily repeated. Wakefield's constant disregard and misuse of the judicial process mandated partial closure. Since Wakefield's contempt hearing concluded, the Church has not instituted nor has the district court conducted any additional contempt hearings, show cause hearings, or *in camera* proceedings. Furthermore, nothing indicates that the Church contemplates these actions. Although the newspapers' suspicions that se-

cret church and contempt proceedings will occur constitute a theoretical possibility, a mere hypothesis or theoretical possibility is insufficient to satisfy the test stated in *Weinstein, Morgan v. Roberts*, 702 F.2d 945, 947 (11th Cir.1983). Thus, no "reasonable expectation" exists that this controversy will occur again.<sup>2</sup>

The newspapers' interest in the important constitutional issue which was once alive in this case is understandable. Nevertheless, we must wait for another case with a current controversy, and with a well-developed record to address the issue. The fact that much of the delay in this case is attributable to a busy and overburdened federal district court is unfortunate.

Because the newspapers cannot satisfy the capable of repetition, yet evading review requirements, this case is moot. Accordingly, this case is dismissed.<sup>3</sup>

#### DISMISSED.

2. As earlier noted, the hearings were not halted because the newspapers did not prevail on their motions for stay pending appeal. We must assume that in the proper cases stays will be granted.

3. We express no opinion on whether the remaining eleven pages of the transcripts may properly be sought in another federal lawsuit.







SUPREME COURT, APPELLATE DIVISION

FIRST DEPARTMENT, February 1992

Joseph P. Sullivan, J.P.  
John Carro  
Ernst H. Rosenberger  
Richard W. Wallach  
Israel Rubin, JJ.

APQ 6 8

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Ivana Trump,

Plaintiff-Respondent,

-against-

Donald J. Trump,

Defendant-Appellant.

---

45386  
and  
M-177

Defendant-appellant appeals from a supplemental judgment, Supreme Court, New York County (Phyllis Gangel-Jacob, J.), entered May 29, 1991, which, pursuant to a stipulation of settlement, resolved the plaintiff's action challenging the enforceability of the parties' post-nuptial agreement.

Jay Goldberg, of counsel (Judd Burstein, with him on the brief, Tenzer, Greenblatt, Fallon and Kaplan, attorneys) for defendant-appellant,

Robert Stephan Cohen, of counsel (Jonathan W. Lubell and Arlene R. Smoler, with him on the brief, Morrison Cohen Singer & Weinstein, attorneys) for plaintiff-respondent.



SULLIVAN, J.

The husband appeals from a supplemental judgment which, pursuant to a stipulation of settlement, resolved the wife's action challenging the enforceability of the parties' post-nuptial agreement. In their stipulation, the parties, subject to a number of specific modifications not here relevant, explicitly ratified the post-nuptial agreement, including a certain confidentiality provision. A proposed supplemental judgment incorporating by reference the post-nuptial agreement, as modified by the stipulation of settlement, was thereafter submitted to the court, which, sua sponte, without notice to the parties or explanation, excluded the confidentiality provision from incorporation into the supplemental judgment. Since the court's unilateral action in deleting the confidentiality provision was both unjustified and unauthorized, we modify to vacate the deletion.

Married on April 9, 1977, the parties, with the advice of separate counsel, on December 24, 1987, entered into a post-nuptial<sup>S</sup> agreement (the Agreement), which superseded three prior agreements dated March 22, 1977, July 24, 1979 and May 25, 1984, respectively. Paragraph 9(b) of the Agreement set out, in the event of divorce or separation, the parties' rights and



obligations, including, inter alia, the husband's obligation to pay \$350,000 per annum to the wife as maintenance and \$10,000,000 in a lump sum within 90 days after entry of a decree of divorce. Paragraph 10 of the Agreement provides:

Without obtaining [the husband's] written consent in advance, [the wife] shall not directly or indirectly publish, or cause to be published, any diary, memoir, letter, story, photograph, interview, article, essay, account, or description or depiction of any kind whatsoever, whether fictionalized or not, concerning her marriage to [the husband] or any other aspect of [the husband's] personal, business or financial affairs, or assist or provide information to others in connection with the publication or dissemination of any such material or excerpts thereof. \*\*\* Any violation of the terms of this Paragraph (10) shall constitute a material breach of this agreement. In the event such breach occurs, [the husband's] obligations pursuant to Paragraph (9) hereof, to make payments or provisions to or for the benefit of [the wife], shall thereupon terminate. In addition, in the event of any such breach, [the wife] hereby consents to the granting of a temporary or permanent injunction against her (or against any agent acting in her behalf) by any court of competent jurisdiction prohibiting her (or her agent) from violating the terms of this Paragraph.

Paragraph 12 of the Agreement states:

In the event that an action for divorce is instituted at any time hereafter by either party against the other in any court of competent jurisdiction, the parties hereto agree that they nevertheless shall be bound by all of the terms of this Agreement. To



the extent possible and appropriate this Agreement shall be incorporated in the decree to be entered in such action and shall not be merged therein. If there be anything in such judgment or decree inconsistent with any of the terms or provisions of this Agreement, the terms and conditions of this Agreement shall govern and shall survive such decree.

In March, 1990, the wife commenced an action, alleging, inter alia, that, to the extent the Agreement provides that she has waived her claims to marital property under Domestic Relations Law §236, it is unconscionable and the product of overreaching and fraud and, thus, unenforceable and seeking a declaration to that effect. The wife subsequently instituted an action for divorce. Both cases were assigned to the same IAS court, which, without resolving the issue as to the enforceability of the Agreement, on December 12, 1990, granted the wife a judgment of divorce on the ground of cruel and inhuman treatment.

Thereafter, on March 22, 1991, the parties, after extensive negotiations, disposed of the declaratory judgment action by entering into a stipulation of settlement which, except for certain modifications not relevant herein, expressly ratified all the provisions of the Agreement. The stipulation further provided, "[The wife's] acceptance of the check for \$10,000,000 tendered herewith on the evening of March 22, 1991 shall constitute the parties' irrevocable acceptance of the terms of



this stipulation and any documents executed in connection herewith." The wife withdrew her claims challenging the enforceability of the Agreement and, on May 22, 1991, the IAS court signed a supplemental judgment incorporating by reference all the terms of the Agreement, as modified by the March 22, 1991 stipulation of settlement, except paragraph 10, which it, sua sponte and without explanation or notice to the parties, excluded.

It is well settled that, in the absence of any affront to public policy, parties to a civil dispute have the right to chart their own litigation course. (T.W. Oil, Inc. v. Consolidated Edison Co. of New York, Inc., 57 NY2d 574, 579-580.) "[C]ourts have long favored and encouraged the fashioning of stipulations as a means of expediting and simplifying the resolution of disputes." (Mitchell v. New York Hosp., 61 NY2d 208, 214.) In disposing of such litigation, parties "may stipulate away statutory, and even constitutional rights." (Matter of New York, Lackawanna & Western R.R. Co., 98 N.Y. 447, 453; see, Matter of Abramovich v. Board of Educ., 46 NY2d 450, 456, cert. den., 444 U.S. 845 [waiver of due process right to a hearing]; Matter of Sonenberg v. Fuller, 114 AD2d 677 [waiver of due process and equal protection rights].) Of course, given a showing of cause sufficient to invalidate a contract, such as fraud, collusion, mistake or some such similar ground, a court may relieve a party



from the consequences of his or her stipulation. (1420 Concourse Corp. v. Cruz, 135 AD2d 371, 372.)

Quite apart from the latter considerations, the wife contends that in declining to incorporate the confidentiality clause of the Agreement into the supplemental judgment of divorce, the IAS court properly invoked the discretion specifically afforded it by the parties in paragraph 12 of the Agreement. She argues that since the court was bound to incorporate the terms of the Agreement "[t]o the extent possible and appropriate," it was vested with the discretion to refuse to incorporate those provisions it deemed inappropriate. To interpret the phrase "[t]o the extent possible and appropriate" as conferring upon the court the unfettered discretion to pick and choose the terms of the Agreement, as ratified by the stipulation of settlement, it deemed appropriate for incorporation would result in a complete undoing of the settlement and violate the principle that the parties are free to chart their own litigation course. The only reasonable interpretation of the clause is that it authorizes the court, for sound reasons and after notice to the parties, to refuse to incorporate some of the terms of the Agreement. Thus, contrary to the wife's arguments, paragraph 12 itself does not afford the court any more authority to interfere with the parties' own agreement than the court would have under existing law.



Moreover, and perhaps more important, is the manner in which the IAS court refused to incorporate paragraph 10. Even assuming that the court had a sound basis for refusing to enforce the confidentiality clause, as a matter of procedural due process, the parties were entitled to notice and an opportunity to be heard before the court, sua sponte, altered the terms of their agreement. The use of the word "appropriate" in paragraph 12 can only be reasonably interpreted as contemplating that the decision not to incorporate a provision of the Agreement would be discussed and that any attempt to limit the incorporation of any provision would be made to the court on appropriate notice and with an opportunity to be heard. In the absence of any indication that the parties had such notice, it is apparent that the court acted without authority in excluding paragraph 10 from incorporation into the supplemental judgment. Moreover, in the absence of some explanation of the court's refusal to incorporate paragraph 10, we are not in a position to review the merits of its actions.

The wife also advances a substantive argument justifying the court's refusal to incorporate paragraph 10 into the supplemental judgment. She claims that, absent a compelling state interest, the federal and New York State constitutions bar a court from issuing a prior restraint barring an individual from ever publishing any statements about a specific subject. Of course,



we can only speculate that this was the rationale for the court's actions since, as noted, it gave no explanation as to its reasons. Furthermore, the constitutional prohibition against prior restraint applies only to orders issued by the government. In arguing that a divorce judgment incorporating the terms of a post-nuptial agreement is the equivalent of a governmental order, the wife takes a great leap in logic. We reject such a premise.

Nor is there any evidence or indeed any claim that the Agreement was the product of fraud, collusion, mistake, accident, or some such similar ground. While the supplemental judgment was entered in the context of a lawsuit in which the wife had originally claimed fraud and duress, those claims had been withdrawn and the court, by incorporating the Agreement into the judgment, placed its own stamp of approval on its terms, as well as on the wife's withdrawal of her fraud and duress claims.

In any event, even in the absence of the trial court's approval, there is no basis for a fraud or duress claim with respect to paragraph 10 of the Agreement. In commencing an action challenging the validity of the Agreement, the wife sought a declaration that it is unenforceable only to the extent that it provides that the wife has waived her claim to marital property or restricted the rights of the children of the marriage. At no time did she claim that paragraph 10 was the result of fraud or duress. When, on March 22, 1991, the parties entered into a



settlement of that action, they agreed to modify certain portions of the Agreement and to ratify the unchanged portions. Thus, the wife twice agreed to abide by paragraph 10: in 1987 when she signed the Agreement and in 1991 when she entered into the stipulation of settlement; she was represented by counsel on both occasions.

Since it is clear that the trial court exceeded its "limited authority to disturb the terms of a separation agreement" (Kleila v. Kleila, 50 NY2d 277, 283) and paragraph 10 does not, on its face, offend public policy as a prior restraint on protected speech (see, Snepp v. United States, 444 U.S. 507), we modify to incorporate the terms of said agreement into the supplemental judgment as agreed to by the parties.

Accordingly, the supplemental judgment of divorce of the Supreme Court, New York County (Phyllis Gangel-Jacob, J.), entered May 29, 1991, should be modified, on the law, to delete therefrom the exception of paragraph 10 of the December 24, 1987 post-nuptial agreement from incorporation therein and, except as



thus modified, affirmed, without costs or disbursements.

M-177    Trump v Trump

Motion by plaintiff-respondent to strike statements of  
alleged fact in appellant's brief is denied.

All concur.

THIS CONSTITUTES THE DECISION AND ORDER  
OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT

ENTERED: April 16, 1992

Catherine O'Hagan Walter  
Clerk. ~~DEPUTY CLERK~~







1 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
2 235 Montgomery Street  
Suite 450  
3 San Francisco, California 94104  
(415) 391-3900

4 Laurie J. Bartilson  
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(213) 953-3360

8 Attorneys for Plaintiff  
9 CHURCH OF SCIENTOLOGY INTERNATIONAL

ORIGINAL FILED

JUL 8 1993

LOS ANGELES  
SUPERIOR COURT

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY	)	Case No. BC
13 INTERNATIONAL, a California	)	
not-for-profit religious	)	
14 corporation;	)	VERIFIED COMPLAINT
	)	FOR DAMAGES AND FOR
15 Plaintiff,	)	PRELIMINARY AND PERMANENT
	)	INJUNCTIVE RELIEF FOR
16 vs.	)	BREACH OF CONTRACT
	)	
	)	
17 GERALD ARMSTRONG; THE GERALD	)	
ARMSTRONG CORPORATION, a	)	
18 California corporation; DOES	)	
1-25 INCLUSIVE	)	
	)	
19	)	
Defendants.	)	
20	)	

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21 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
22 Bowles & Moxon, for its Complaint, alleges:

23 NATURE OF THE ACTION

24 1. In violation of the express terms and spirit of a  
25 settlement agreement ("the Agreement") entered into in December,  
26 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
27 deliberate campaign designed to aid plaintiff's litigation  
28 adversaries, breach the confidentiality provisions of the



1 Agreement, and foment litigation, hatred and ill-will toward  
2 plaintiff.

3       2. Six years ago, plaintiff Church of Scientology  
4 International ("CSI") entered into the Agreement with Armstrong,  
5 on its own behalf and for the benefit of numerous third-party  
6 beneficiaries. The Agreement provided for a mutual release and  
7 waiver of all claims arising out of a cross-complaint which  
8 defendant Armstrong had filed in the case of Church of  
9 Scientology of California v. Gerald Armstrong, Los Angeles  
10 Superior Court No. C 420153. Armstrong, a former Church member  
11 who sought, by both litigation and covert means, to disrupt the  
12 activities of his former faith, displayed through the years an  
13 intense and abiding hatred for the Church, and an eagerness to  
14 annoy and harass his former co-religionists by spreading enmity  
15 and hatred among members and former members. Plaintiff sought,  
16 with the Agreement, to end all of Armstrong's covert activities  
17 against it, along with the litigation itself. For that reason,  
18 the Agreement contained carefully negotiated and agreed-upon  
19 confidentiality provisions and provisions prohibiting Armstrong  
20 from fomenting litigation against plaintiff by third parties.  
21 These provisions were bargained for by plaintiff to put an end to  
22 the enmity and strife generated by Mr. Armstrong once and for  
23 all.

24       3. This action arises out of deliberate and repeated  
25 breaches by Armstrong of these and other express provisions of  
26 the Agreement. Although plaintiff fully performed all of its  
27 obligations under the Agreement, Armstrong never intended to keep  
28 his part of the bargain and maintains that he considered the



1 referenced provisions to be unenforceable ab initio. Some of  
2 Armstrong's deliberate breaches of the Agreement became the  
3 subject of a case currently pending before this Court, Church of  
4 Scientology International v. Gerald Armstrong et al., Case No. BC  
5 052395 ("the earlier action"). Despite the pendency of that  
6 action, and despite plaintiff's repeated demands that Armstrong  
7 end his constant and repeated breach of the provisions of the  
8 Agreement, Armstrong appears to delight in renewing his annoying  
9 and harassing activities, admitting to them in sworn depositions  
10 and refusing to end his improper associations. This Complaint  
11 addresses Armstrong's breaches since June, 1992, when the Amended  
12 Complaint was filed in the earlier action.

13 4. With this Complaint, plaintiff seeks the Court's aid in  
14 obtaining the peace for which it bargained more than five years  
15 ago. Plaintiff requests liquidated damages pursuant to the terms  
16 of the Agreement from Armstrong and his sham corporate alter ego,  
17 the Gerald Armstrong Corporation ("GAC"), as well as injunctive  
18 relief to prevent additional and future breaches of the Agreement  
19 by Armstrong.

#### 20 THE PARTIES

21 5. Plaintiff Church of Scientology International is a non-  
22 profit religious corporation incorporated under the laws of the  
23 State of California, having its principal offices in Los Angeles,  
24 California. Plaintiff CSI is the Mother Church of the  
25 Scientology religion.

26 6. Defendant Gerald Armstrong is a resident of Marin  
27 County, California.

28 7. Defendant Gerald Armstrong Corporation is a corporation



1 incorporated under the laws of the State of California, having  
2 its principal offices in San Anselmo, California.

3 8. Plaintiff is ignorant of the names and capacities of  
4 the defendants identified as DOES 1 through 25, inclusive, and  
5 thus brings suit against those defendants by their true names  
6 upon the ascertainment of their true names and capacities, and  
7 their responsibility for the conduct alleged herein.

8 9. Defendant Armstrong is the principal shareholder in GAC  
9 and its sole employee, and has been since the incorporation of  
10 GAC in 1987.

11 10. Defendant GAC is, and at all times since its  
12 incorporation was, the alter ego of defendant Armstrong and there  
13 exists, and at all times since GAC's incorporation has existed, a  
14 unity of interest and ownership between these two defendants such  
15 that any separateness between them has ceased to exist, in that  
16 defendant Armstrong caused his own personal assets to be  
17 transferred to GAC without adequate consideration, in order to  
18 evade payment of his lawful obligations, and defendant Armstrong  
19 has completely controlled, dominated, managed and operated GAC  
20 since its incorporation for his own personal benefit.

21 11. Defendant GAC is, and at all times herein mentioned  
22 was, a mere shell, instrumentality and conduit through which  
23 defendant Armstrong carried on his activities in the corporate  
24 name exactly as he conducted it previous to GAC's incorporation,  
25 exercising such complete control and dominance of such activities  
26 to such an extent that any individuality or separateness of  
27 defendant GAC and defendant Armstrong does not, and at all  
28 relevant times mentioned herein did not, exist.



12. Adherence to the fiction of the separate existence of defendant GAC as an entity distinct from defendant Armstrong would permit an abuse of the corporate privilege and would sanction fraud, in that Armstrong transferred his material assets to GAC in 1988, prior to embarking on the campaign of harassment described herein, and with the intention of preventing plaintiff from obtaining monetary relief from Armstrong pursuant to the liquidated damages clause. GAC exists solely so that Armstrong may be "judgment proof."

## THE CONTRACT

13. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by reference.

14. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

15. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the Churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.



1        16. Contemporaneously with the signing of the Agreement,  
2 Armstrong represented that he understood the Agreement's  
3 provisions and was acting of his own free will and not under  
4 duress.

5        17. The Agreement also provided that plaintiff CSI would  
6 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
7 intended to settle not just Armstrong's case, but the cases of  
8 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
9 to Armstrong a portion of that settlement amount. The exact  
10 amount of the portion to be paid to Armstrong by Mr. Flynn was  
11 maintained as confidential between Mr. Flynn and Armstrong.

12        18. CSI paid to Mr. Flynn the lump sum settlement amount.

13        19. Mr. Flynn paid to Armstrong his confidential portion of  
14 the lump sum settlement amount, which was at least \$520,000,  
15 after expenses.

16        20. The consideration paid to Armstrong was fair,  
17 reasonable and adequate. Plaintiff CSI has performed all of its  
18 obligations pursuant to the Agreement.

19                                    FIRST CAUSE OF ACTION

20                                    (Against All Defendants for Breach of Contract)

21        21. Plaintiff realleges paragraphs 1 - 20, inclusive, and  
22 incorporates them herein by reference.

23        22. In August, 1991, Armstrong accepted employment as a  
24 paralegal from San Anselmo attorney Ford Greene. Mr. Greene's  
25 practice consists substantially of pressing claims by former  
26 Scientologists against the plaintiff and other individuals and  
27 entities identified in paragraph 7 as beneficiaries of the  
28 Agreement (collectively, "the Beneficiaries").



1        23. Among Mr. Greene's clients who are pressing claims  
2 against one or more of the Beneficiaries are Ed Roberts and  
3 Denise Cantin.

4        24. While working in Mr. Greene's office, Armstrong  
5 provided substantial paralegal assistance to Mr. Greene in the Ed  
6 Roberts and Denise Cantin matters. In the case of Roberts, for  
7 example, Armstrong went to Colorado and interviewed Roberts in  
8 November, 1991, and has interviewed him at least seven times  
9 since then. In December, 1992, Armstrong even made a settlement  
10 demand to plaintiff's counsel on behalf of Roberts, without  
11 bothering to go through Roberts' attorney, Mr. Greene.

12        25. Armstrong's employment by Greene to work on the Roberts  
13 and Cantin matters is a direct violation of Paragraphs 7(G) and  
14 10 of the Agreement.

15        26. As a direct and proximate result of Armstrong's breach  
16 of the agreement by providing paralegal assistance to Greene on  
17 the Roberts and Cantin matters, plaintiff has incurred damages  
18 which are not presently calculable. In no event, however, are  
19 they less than the jurisdictional minimum of this Court.  
20 Consequently, for this breach plaintiff seeks compensatory and  
21 consequential damages according to proof.

22                    **SECOND CAUSE OF ACTION**

23                    (For Breach of Contract Against All Defendants)

24        27. Plaintiff realleges paragraphs 1-20 and 22-25,  
25 inclusive, and incorporates them herein by reference.

26        28. In or about November, 1992, in Los Angeles, California,  
27 Armstrong attended a convention of the Cult Awareness Network, an  
28 anti-religious group whose members advocate the kidnapping and



1 "deprogramming" of persons belonging to groups which they label  
2 "cults." While at the convention, Armstrong provided a lengthy  
3 videotaped interview to deprogramming specialist Jerry Whitfield.  
4 A true and correct copy of the transcript of the videotape is  
5 attached hereto as Exhibit B. Said videotaped interview violates  
6 the Agreement in that it purportedly contains disclosures by  
7 Armstrong of his claimed experiences with Scientology as  
8 prohibited by Paragraph 2 of the Agreement.

9 29. In addition, the videotaped interview devotes an entire  
10 section to a description of the earlier action resulting from the  
11 Settlement Agreement and to a description of the Settlement  
12 Agreement itself. The making of the videotape violated the  
13 provisions of Paragraphs 7(D) and 18 of the Agreement.

14 30. In addition, plaintiff is informed and therefore  
15 believes that Armstrong has distributed the videotape to persons  
16 other than Whitfield, the number of which plaintiff has still to  
17 ascertain. The provision of the videotape by Armstrong to any  
18 person additionally violates Paragraphs 2, 7(D) and 18 of the  
19 Agreement.

20 31. In addition, while at the CAN convention, Armstrong  
21 spoke with approximately fifty (50) people, and willingly  
22 disclosed to them his claimed experiences with Scientology, in  
23 violation of Paragraphs 2, 7(D) and 18 of the Agreement.

24 32. By reason of the foregoing breaches by Armstrong,  
25 plaintiff is entitled to at least \$150,000 in liquidated damages,  
26 and further liquidated damages subject to proof.

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1                                    FOURTH CAUSE OF ACTION

2                    (Against All Defendants for Breach of Contract)

3            37. Plaintiff realleges paragraphs 1-20, 22-25, 27-30 and  
4 32-35, inclusive and incorporates them herein by reference.

5            38. According to Armstrong, sometime between December 22,  
6 1992 and March 10, 1993, he spoke at an event at which  
7 approximately 30 to 40 people were present. At this event,  
8 Armstrong spoke of, inter alia, his claimed experiences with  
9 Scientology, in violation of Paragraphs 2, 7(D) and 18 of the  
10 Agreement, and received monetary compensation for his speech.

11           39. By reason of the foregoing breach of the Agreement,  
12 plaintiff is entitled to \$50,000 in liquidated damages.

13                                    FIFTH CAUSE OF ACTION

14                    (Against All Defendants for Breach of Contract)

15           40. Plaintiff realleges paragraphs 1-20, 22-25, 27-30, 32-  
16 35 and 37-39 inclusive, and incorporates them herein by  
17 reference.

18           41. In or about June, 1993, Armstrong gave an interview to  
19 one or more reporters from Newsweek magazine, which also violated  
20 paragraph 2 of the Agreement. Plaintiff is informed, and  
21 therefore believes, that during the course of his interview with  
22 the Newsweek reporter(s), whose identity is known to defendants  
23 but not to plaintiff, Armstrong stated, that the Founder of the  
24 Scientology faith, L. Ron Hubbard, wanted "rich Scientologists to  
25 buy huge quantities of [The Way to Happiness] for distribution.  
26 He wanted to go down in history as a scientist or a philosopher  
27 or both." Attached hereto and incorporated herein by reference  
28 as Exhibit D is a true and correct copy of the Newsweek article



1 which featured this statement made voluntarily by Armstrong in a  
2 media interview. The provision of this interview by Armstrong  
3 violated the provisions of paragraphs 2, 7(D) and 18 of the  
4 Agreement.

5 42. By reason of the foregoing breach of the Agreement,  
6 plaintiff is entitled to \$50,000 in liquidated damages.

7 SIXTH CAUSE OF ACTION

8 (Against All Defendants for Injunctive Relief)

9 43. Plaintiff realleges paragraphs 1-20, 22-25, 27-30, 32-  
10 35, 37-39 and 41, inclusive, and incorporates them herein by  
11 reference.

12 44. On or about April 28, 1993, plaintiff learned that  
13 Armstrong intended to appear that day on radio station KFAX and  
14 disclose his claimed experiences with Scientology. Plaintiff's  
15 counsel, Laurie Bartilson, faxed a letter to Armstrong and his  
16 attorney, informing him that plaintiff would consider any such  
17 appearance to be a violation of the Agreement, and would subject  
18 Armstrong to the liquidated damages provision contained therein.  
19 In response, Armstrong sent a letter to Ms. Bartilson which  
20 stated, inter alia,

21 Your threat that you will subject me to the liquidated  
22 damages provision of the settlement agreement for  
23 appearing on KFAX is obscene. Even its inclusion in  
the settlement agreement; that is \$50,000.00 per word I  
write or speak about your organization is obscene. . .

24 In addition, Armstrong asserted that settlement agreements were  
25 an "antisocial policy" of plaintiff. He stated that he would not  
26 stop making media appearances and speeches, and that he had more  
27 planned for the near future if plaintiff did not immediately  
28



1 accede to his demands:

2 I expect to be doing various media appearances in the  
3 near future and talks to various groups, including one  
4 I have already agreed to with a university psychology  
5 class. I think it would be very beneficial, therefore,  
6 to resolve our differences as soon as possible by your  
7 organization's clear repudiation of its antisocial  
8 policies and practices, so that I can have good things  
9 to report at these talks.

10 45. In or about June, 1993, Armstrong made good his  
11 threats, and gave an interview to a reporter(s) from Newsweek  
12 magazine, as described in paragraph 41, supra.

13 46. On July 2, 1993, again making good his threats,  
14 Armstrong appeared in Los Angeles, California at the Los Angeles  
15 Superior Court. He attended a hearing in the Wollersheim II  
16 case, and afterwards gave an interview to a reporter who claimed  
17 to be "working on a story," but refused to identify himself.

18 47. As a direct and proximate result of Armstrong's breach  
19 of the Agreement by disclosing his experiences, by making media  
20 appearances, and by providing assistance to Greene in the Cantin  
21 and Roberts matters, which breaches are persistent and  
22 continuing, CSI is and will continue to be irreparably harmed,  
23 and unless Armstrong and those acting in concert with him are  
24 preliminarily and permanently enjoined from continuing that  
25 unlawful conduct, further irreparable harm will be caused to CSI.

26 WHEREFORE, plaintiff prays for judgment as follows:

27 ON THE FIRST CAUSE OF ACTION

28 1. For compensatory and consequential damages according to  
proof.

2. For attorneys' fees and costs of suit.

ON THE SECOND CAUSE OF ACTION



1 1. For liquidated damages of \$150,000, and further  
2 liquidated damages according to proof.

3 2. For attorneys' fees and costs of suit.

4 ON THE THIRD CAUSE OF ACTION

5 1. For liquidated damages in the amount of \$950,000.

6 2. For attorneys' fees and costs of suit.

7 ON THE FOURTH CAUSE OF ACTION

8 1. For liquidated damages in the amount of \$50,000.

9 2. For attorneys' fees and costs of suit.

10 ON THE FIFTH CAUSE OF ACTION

11 1. For liquidated damages in the amount of \$50,000.

12 2. For attorneys' fees and costs of suit.

13 ON THE SIXTH CAUSE OF ACTION

14 1. For a preliminary and permanent injunction prohibiting  
15 and restraining all defendants, including Armstrong, from  
16 violating any of the provisions of the Agreement, including the  
17 provisions of Paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

18 ON ALL CAUSES OF ACTION

19 1. For such other and further relief as the Court may deem  
20 just and proper.

21 DATED: July 8, 1993

BOWLES & MOXON

22  
23  
24 By:   
Laurie J. Bartilson

25 Andrew H. Wilson  
26 WILSON, RYAN & CAMPILONGO

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY  
INTERNATIONAL



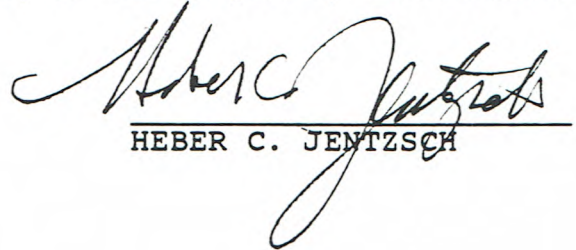
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VERIFICATION

I, HEBER C. JENTZSCH, declare as follows:

I am President of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed on July 8, 1993, at Los Angeles, California.

  
HEBER C. JENTZSCH



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, California 94104.

On September 29, 1993, I served the foregoing document described as PLAINTIFF'S OPPOSITION TO ARMSTRONG'S MOTION TO STRIKE FIRST AMENDED COMPLAINT; REQUEST FOR SANCTIONS AGAINST GERALD ARMSTRONG AND FORD GREENE; DECLARATION OF LAURIE J. BARTILSON AND EXHIBITS IN SUPPORT THEREOF on interested parties in this action.

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE [FAX & MAIL]  
HUB Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.



Executed on September 29, 1993 at Los Angeles, California.

[ ] **\*\*(BY PERSONAL SERVICE)** I delivered such envelopes by hand to the offices of the addressees.

Executed on \_\_\_\_\_ 1993 at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)